

THE NATION'S BUSINESS

August
1923



2
Cen

A Way Out for Our Merchant Marine

By JAMES A. FARRELL
President, United States Steel Corporation

Production, the Basis of Good Times

By JULIUS H. BARNES
President, United States Chamber of Commerce

*And for lighter summer reading and demonstrating
anew that truth is stranger than fiction*

Romantic Byways of Trade

Economics Over the Counter

Buying Habits in the Making

A Chinese Business Cycle

It's Your Business to Keep Him Honest

Complete Table of Contents on page seven



Published by the Chamber of Commerce of the United States

MORE THAN 110,000 CIRCULATION

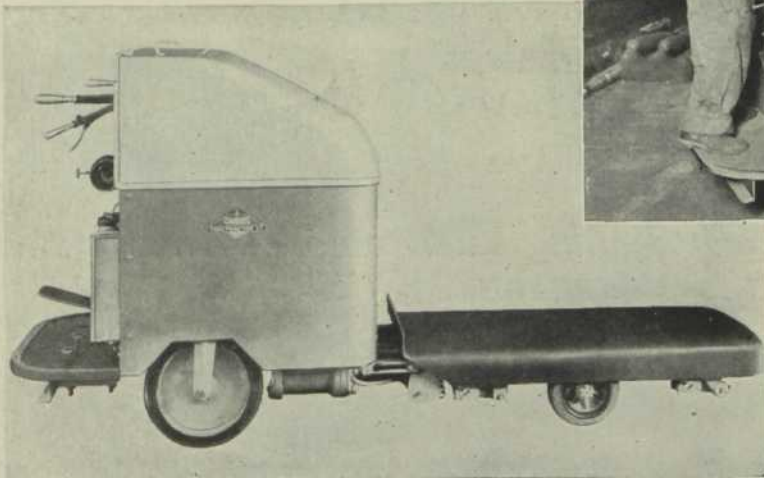
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Lift the shackles of dull drudgery from common labor—don't make men do the work of beasts.

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and two-story industrial uses
—made to order from standard stock units—
with resulting economy in cost and time of erection.)

In The Automotive Industry

Truscon Standard Buildings are receiving wide recognition by manufacturers of automobiles,—parts and accessories. The adaptability of the Truscon Copper Steel Building to this class of manufacture has given Truscon unusual prestige with this great national industry.

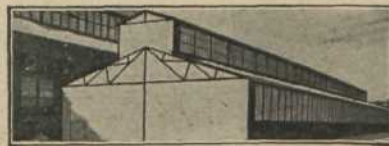
An industry of intense specialization, requiring unremitting study of materials and engineering standards in order to manufacture quality products at lowest over-head cost,—this stamp of approval for Truscon Copper Steel Buildings has untold significance.



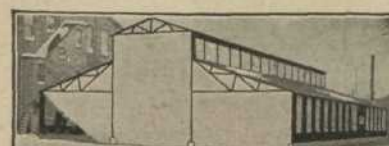
TYPE 1 (Clear Span)
Widths—8'-12'-16'-20'-24'-28'-32'-40'-48'-50'-60'-68'



TYPE 4 (4 Bays) with Lantern
Widths—80'-100'-112' (4 Bays @ 20'-25' or 28')



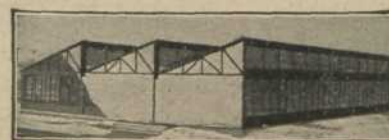
TYPE 2 (2 Bays) with Lantern
Widths—40'-48'-50'-56'-60'



TYPE 3M (Monitor)
Widths—60'-64'-68'-72'-76'-80'-84'-88'-90'-96'-98'-100'-106'-108'-116'



TYPE 3 (3 Bays)
Widths—56'-60'-64'-68'-72'-76'-80'-84'-88'-90'-98'-106'-108'-116'



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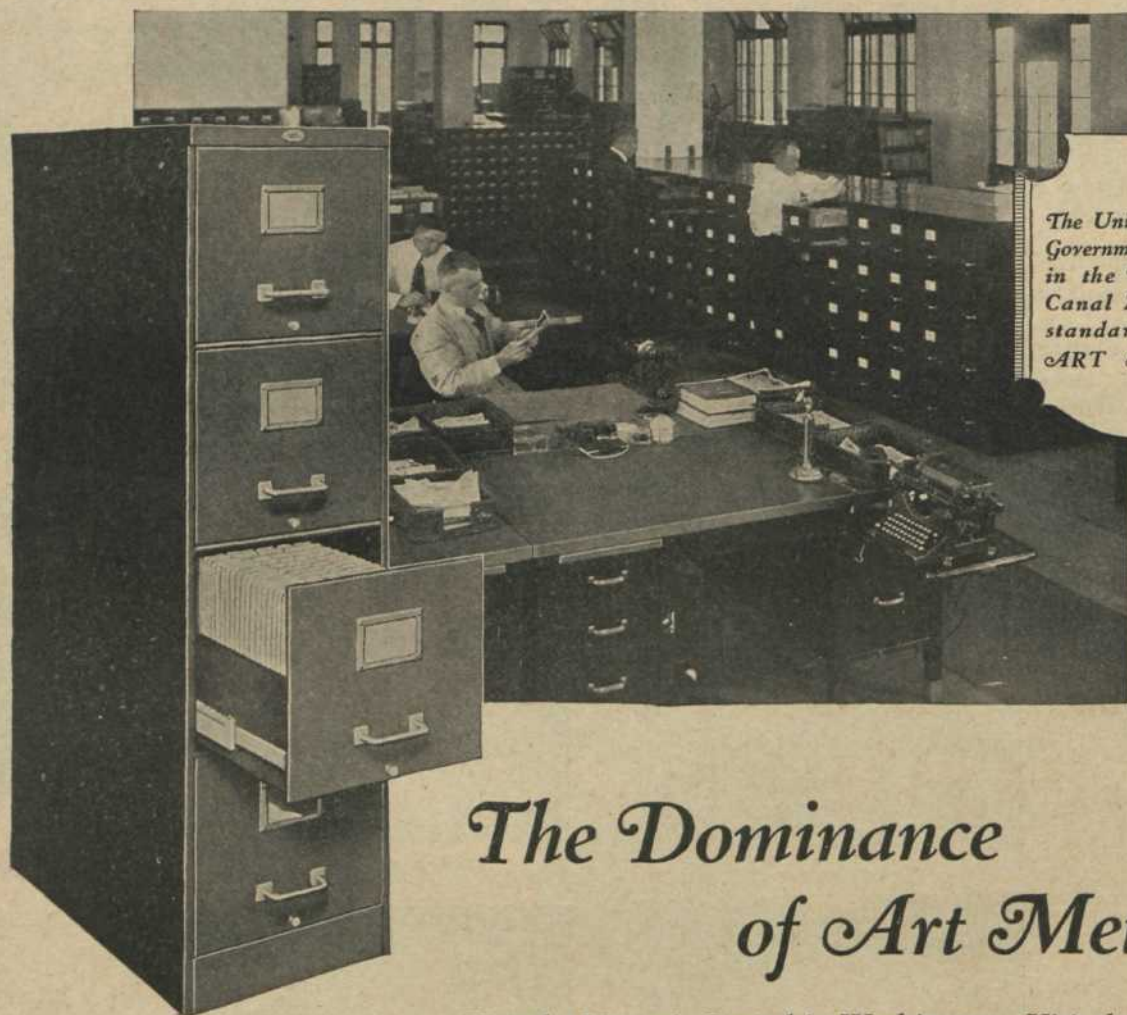
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Return coupon or write us for suggestions, catalogue and prices.

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Canada: Walkerville, Ont. Export Div.: New York*

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Name _____
Address _____ (NB-8)



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in the Panama
Canal Zone are
standardized in
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Visit the Nation's Capitol in Washington. Visit the State Capitols throughout the Union. Note that the tremendous proportion of all these Governmental offices are ART METAL equipped—that over 75% of all steel office equipment in use is ART METAL. Then consider what the name ART METAL means on office equipment.

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The vast range of over 300 styles enables every business man to select the particular type and style of office equipment best suited to his individual requirements. Investigate ART METAL today—that you may know the qualities that make it the most suitable equipment for your office.

Write for our catalog today or better, call at our local branch or agency.



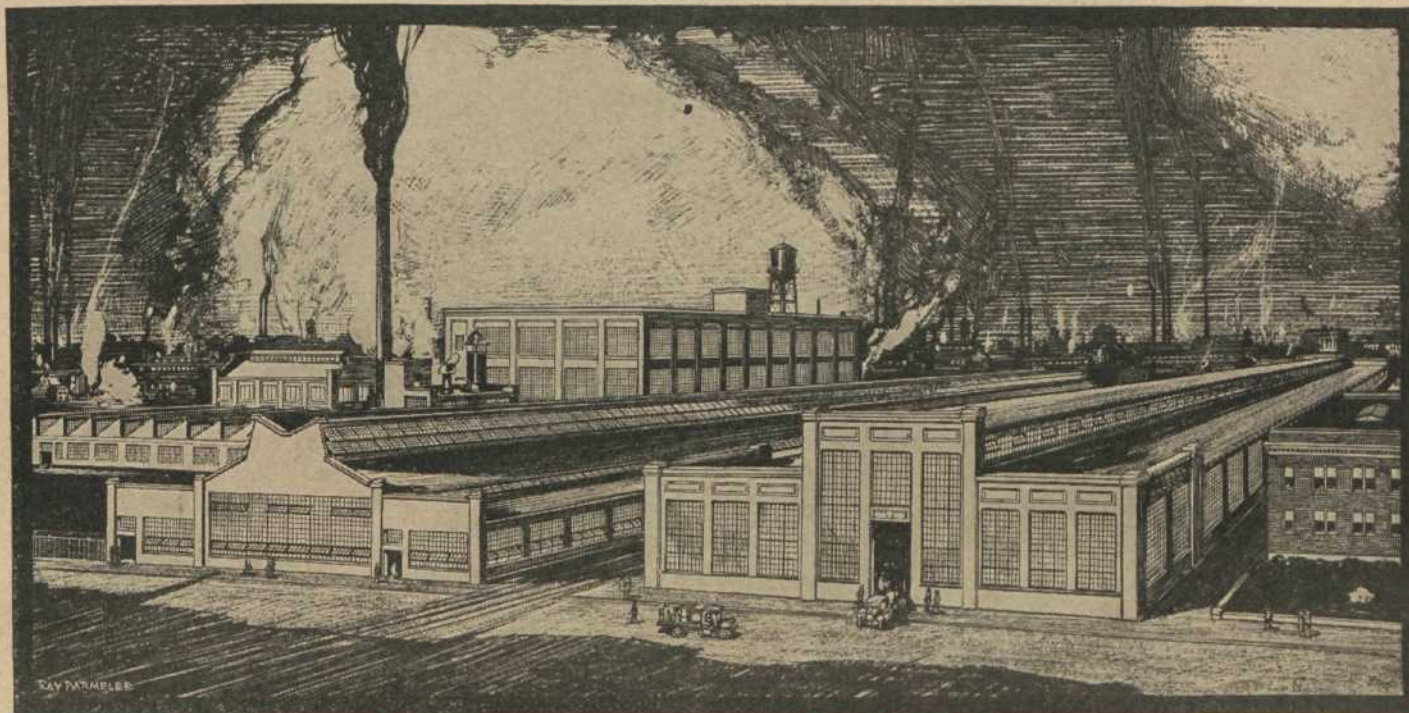
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Austin Engineers have solved this problem for many clients. They have designed plants from the practical, permanent standpoint first and have then added attractive details where desirable. They have designed buildings with the highest possible percentage of usable floor space—floor space that exactly meets the manufacturer's

need. They have kept the building investment in correct proportion to the profit possibilities of the business.

Austin Engineers have some interesting data to present on this subject. They can give you concrete examples of the application of this principle and offer definite suggestions to you. Wherever you may need additional facilities the service is available. There are today 13 Austin Organizations in as many industrial sections prepared to serve you both in the laying out of plans and in the speedy erection of your new buildings. Phone, wire or use the coupon.

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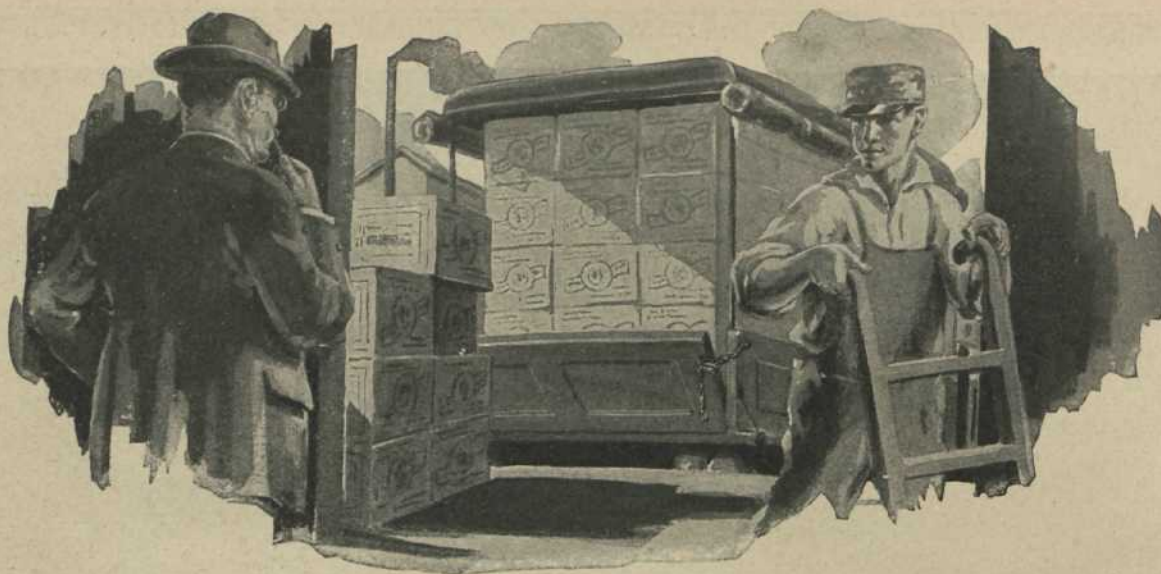


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N. B. 8-23



Your Shipping Boxes~the Link Between Your Factory and Market

YOUR shipping boxes must stand between your goods and the destructive forces that assail them. They are the guardians of your products throughout their journeys from factory door to distant counters. They play vitally essential parts in the scheme of your daily business. They are supremely important factors in distribution—and they should be given the occasional *executive* supervision their importance deserves.

Good Boxes Pay!

Haphazard choice—the buying of boxes on a basis of price alone—is a costly method. The vigilance that is exercised in the manufacture of your products—the care to maintain their quality—is completely offset when poor packing is used. *Good, dependable boxes only* should be used—and “H & D Service” is supplying over forty millions of them every year.

H & D Corrugated Fibre Boxes are the accepted shipping containers in thousands of busy plants. Damage-defying sturdiness, absolute dependability, unmatched economy—have placed them foremost in their field. These boxes offer you the most satisfactory means of packing you can adopt.

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The H & D Package Planning Department serves you at no cost—and your use of it will not obligate you in any way. If you will send us a sample shipment for repacking in a more economical manner, it will be returned to you in an H & D Box, together with our quantity prices.

Our catalog and full details of “H & D Service” will be sent for the asking. Write today.

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Gloves
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Lamps
Machine parts
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Millinery
Musical instruments
Musicians' supplies
Office supplies
Optical goods
Piano stools
Pictures
Plumbing supplies
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Printers' supplies
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Shoes
Signs
Spices
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Toys
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"GMC TRUCKS ARE
SEVEN STEPS AHEAD"



Actual Values Control GMC Sales

*Whether dollars or "used equipment"
are the mediums, the result is the same.*

Because the price at which a GMC truck is listed and sold is the actual physical cost of the individual chassis, plus a fair profit

—every dollar received from the sale of a GMC must be worth a full one hundred cents.

It makes no difference whether this dollar is represented in the currency of the United States or by a "used truck." In either case, the value must be equal. A "used truck" accepted in part pay-

ment for a new GMC is figured at its actual worth as a medium of transportation.

Only by such a sales policy can every purchaser of GMC trucks be guaranteed the same value at the same price.

And only by such a policy can GMC continue to offer the full measure of transportation that is always expected in every truck that bears the GMC nameplate.



GENERAL MOTORS TRUCK COMPANY—Pontiac, Michigan
Division of General Motors Corporation

GMC Truck Chassis list at the Factory as Follows: 1-Ton, \$1295;
2-Ton, \$2375; 3½-Ton, \$3600; 5-Ton, \$3950. Tax to be added.

General Motors Trucks

You Buy Service —and Dependability!

WHEN you purchase a Boston Belting Company product you buy the finest of material, combined with an efficiency in manufacture made possible by nearly a century of experience in producing mechanical rubber goods.

You buy *service* and *dependability*—and *value*.

In the Boston Belting Company plant most of the mechanical rubber goods now in use were originated. The Company, today, is specializing on those rubber goods illustrated here.

You are not experimenting when you select rubber belting, rubber rolls, rubber hose, packing or corrugated matting bearing the Boston Belting Company imprint. They are the highest type of rubber goods—each a leader in its particular field—each having a long history of service to the nation's industry, to recommend it.

Make the Boston Belting Company trade-mark your guidepost to quality and value.

1828



1923

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RUBBER BELTING



RUBBER ROLLS



HOSE



SPIRAL PACKING



CORRUGATED MATTING

Through the Editor's Spectacles

A FRIEND on the Pacific Coast writes us a letter, a letter remarkable in that it points out concretely the underlying ideals and purposes of THE NATION'S BUSINESS. Such an editorial confession of faith might have come from this office, from those of us on the inside, who commune daily in visualizing the ideal NATION'S BUSINESS.

But this man, 3,000 miles away, on the receiving end, has perceived our editorial purpose from reading THE NATION'S BUSINESS. It is needless to say that such letters hearten every member of the organization. It is from Roy O. Hadley, of the Pacific Telephone and Telegraph Company:

If it is not too late for you to receive a line commenting on the Hundred Thousand Mark of THE NATION'S BUSINESS, I want to send it now.

I am genuinely glad to see what you have done and proud of it. The tendency of everybody to follow a winner makes me at times reluctant to say what is in my mind because of the probability that it is prompted by that motive rather than the purpose of expressing unbiased appraisal.

What I want to say is something like this. You have achieved a really great thing. To my mind it is far more important than building of the circulation to what would appear like staggering figures if we did not see them really at hand—staggering when one contemplates all the surrounding considerations.

You have given life to economic facts, industrial activity, commercial development, financial truths. You have done precisely what you started out to do, what keen imagination and dynamic energy foresaw could be done with the required confidence and driving force to do it.

And so we have the foundation of a new era. You have done more than anyone else I know to reveal and make vivid the romance of business, the reality of rhythm in industry, the adventure of great undertakings. You not only demonstrate the quality of imagination brought into play by the man of affairs, but you have translated this demonstration into terms that arouse and stimulate and entertain the imagination of all those who will read. And thereby you are producing a widespread appreciation of the spirit of material accomplishment.

This appreciation dispels the foolish academic prejudices against business as gross and work as irksome. It invests the necessities of life and the urge to progress in things that serve human demands, with the impelling power of imaginative fascination. By the imagination great things are wrought. By reason they are approved or justified. Coué is right at least to the extent that human interest is aroused and action initiated through the imagination rather than through reason. Reason is the rudder but it neither conjures the breezes nor generates the power.

With the dispelling of prejudices and the awakening of response in the type of mind and person heretofore disposed to eschew business as dulling the finer sensibilities, you are bringing into the world of business a higher ethical influence, that which expresses itself in the realm of things spiritual or on the field of true sportsmanship.

What I mean is that you have not only attempted, but you are accomplishing something that is even now influencing with wholesome result the efforts of men and that promises to exert enduring and increasing power over the motives and the understanding and the clearness of purpose that animate them.

In other words, you are doing both a good job and a big one.

More power to you.

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

STEPHEN D. BALLIET, of The Balliet Supply Company, Appleton, Wis., writes:

Just a thought to the Executive Board of the Associated Advertising Clubs of the World in their campaign against fake stock promoters.

Urge all newspapers to refrain from publishing isolated instances of making big money from small investments. A typical case. A photograph of someone who made a fortune by investing a few dollars in such and such an oil company. The thousands who lose want no publicity.

IN THE last two numbers we have printed two articles on two extraordinary personalities in the coffee business, the late Hermann Sielckin, and the late John Arbuckle—the one a czarlike, dominating figure of the coffee import business, the other the shrewd tradesman who saw that folks could be taught to buy their coffee ready-roasted, ready-ground

and put up in neat packages. Both of these articles were from the pen of William H. Ukers, whose work called "All About Coffee" we have already reviewed.

Now comes word from one of Mr. Ukers' friends that the Centennial International Exposition at Brazil has given its grand prize to Mr. Ukers for his book—a well-deserved honor to a most unusual volume. If anyone had told us that hundreds of pages could be written about coffee, we should have believed it; but if he had said hundreds of readable pages, we should have doubted it until we saw Mr. Ukers' book.

CORRESPONDENCE relative to Congressman Johnson's article on immigration leads us to reiterate our policy:

The Immigration Committee of the U. S.

THE BANK OF AMERICA— A BANK FOR AMERICA

When the first Bank of the United States was refused a new charter and The Bank of America came into being 111 years ago, the founders planned "a bank for America."

Its facilities today, truly indicative of its name, are nationwide in scope. Its connections are world-wide. Its resources are ample for the needs of sound business. It is a historic bank which has steadily developed to meet the requirements of the times.

Specific information regarding any of our services will be gladly furnished upon request.

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ESTABLISHED 1812

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The Long Arm of Business.

Can you locate any man in your organization anywhere in your office or plant when you want him? AUTOCALL will find him—instantly!

AUTOCALL PAGING SERVICE is in truth the "long arm of business." AUTOCALL reaches out to the man you want and says to him, "You're wanted—please step to the nearest phone."

We have a plan to demonstrate the value of Autocall service in your organization without cost or obligation to you.

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In our vast experience in the design, manufacture and erection of Power Piping, we have developed an organization of exceptional merit, capable of dealing with Piping problems of any magnitude. The service of this efficient group is at your command.

From their wide experience in the Power Plant field, both as individuals and as an organization, their value to you is unlimited.

We give estimates, submit plans on pipe layouts, and erect the entire installation.

If you are in the market for piping get in touch with us or one of our branch offices.

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Chamber of Commerce puts its emphasis upon the adoption of a selective policy for the regulation of immigration as opposed to a restrictive policy. It accepts 3 per cent as a base because 3 per cent is in the present law, and to this 3 per cent it adds 2 per cent in order to provide means for demonstrating the practicability of selection. Immigrants coming in under the 3 per cent or present quota have to meet certain requirements. The committee, whose report was approved at the annual meeting in May, proposes that immigrants coming under the additional 2 per cent shall have to meet higher standards, physical, mental and moral. In this way it is hoped that the practicability of selection instead of restriction will be demonstrated, so that we can in the future adopt a policy which will give us immigrants only of a quality who will be positive assets to our population rather than a policy which does no more than reduce the number of undesirables.

"WHY don't you say something" writes an indignant subscriber:

about those sleek sociologists who professionally and vicariously suffer with Labor from the safe security of swivel-chairs, who lament that England has it all over the United States when it comes to the "labor movement"? The American "labor movement" is pitifully inadequate—in its swaddling clothes, so to speak—they tell us. We have no Labor Party, no considerable Socialist or "liberal" wing to build up an imposing fabric of secretariat, proletariat and hotairiat bureaucracy like that which composes the English "labor movement." America is at least 25 years behind the times in this respect, we are reminded, condescendingly.

Then quote Mr. William Goodson, of Balderston, England, who said in New York the other day that the English workmen scarcely know what it is to own an automobile. "American workmen are far better fed, better housed and better paid than those of England," said he.

Nevertheless, America has no "labor movement."

Our editorial hand can't do the job any better than our reader has done in his suggestion. It would be painting the lily—or the soap-box.

BUSINESS men are now exposed to a new measure of their success. This time the office boy is to carry the yardstick. Addressing a group of assorted office boys employed by Marshall Field & Company, W. S. Clark, boss of the store's shipping department, urged them to:

Make a study of your employer. You boys are closer to the heads of the business than anyone else can be. You see the president or the head of the department with his coat off. Pick out a successful man. Model yourself on him in every way. Copy his methods and they will lead you to the top.

That's something to think about. What if the boys should organize and refuse to work for any man below their standard of success. We now see our own Mercury as a small Daniel come to judgment. Mr. Clark, we fear you have let us in for some anxious moments.

THERE will shortly be a meeting of our informal, unofficial, not to say unappointed Committee on Simplification of Business English. We are moved to call this committee by the following incident:

A salesman visited us not long ago, talked politely a few moments and said that he would like to send some samples of the work his company did. We told him to send them to Mr. Smith, who handled that work. Two days later Mr. Smith got a letter in which was this phrase: "When we were in conference recently with your Mr. Blank . . ."

Something has got to be done about that

word "conference." There are other words upon which we have our eye, and we shall welcome assistance in taking steps for their regulation.

HAROLD BOESCHENSTEIN, of the A. L. Duval D'Adrian Chemical Co., Alton, Ill., writes that he likes the positive, frank stand which it is THE NATION'S BUSINESS policy to take on economic and political questions, and that it is refreshing to find a publication which supports its policy on these various matters without distorting the facts. "Your editorial policy," says he, "in this respect is generally reflected in the excellent contributed articles which you publish."

"THIS may have been commented upon before," writes B. J. Lagar, of Cincinnati, "but it will bear repetition. Your carefully prepared articles make it possible for you to omit:

Continued on page —

It is remarkable how this small detail stimulates interest in your publication."

Yes, indeed, it has been commented upon before by our readers. The editorial staff works hard in the preparation of articles just to overcome this well-nigh universal nuisance of jumping from front to back and back to front again *ad lib*. We are glad our readers appreciate it.

READERS did and didn't like the two stories about Cedarville and its Chamber of Commerce which we printed in April and May. More did than didn't. The Commercial Secretaries of South Dakota, or at least their secretary, John Valentine, liked them. Witness their *Sunshine News*:

AGAINST CIVIC REVIVALS

THE NATION'S BUSINESS carried two articles in the April and May issues entitled "The Awakening of Cedarville." The gist of them was that best and only lasting results can be gained for a town not through sporadic hurrah campaigns by the local commercial organization, but rather by steady, quiet work with a real program for the improvement of the town.

The lesson of "Cedarville" can well be applied to any community. The day of red-fire parades and excessively "booster" talks has passed. It is much better for Homeville to have its commercial club see that Main Street is gravelled or to get folks to pitch in and build that swimming pool.

"WHO owns capital?" writes an electrical manufacturer, referring to our recent article of that title, and proceeds to contribute the following:

In the single utility field of electric light and power, 156 companies report 426,495 new stockholders under customer ownership plan, holding \$344,918,500 in stock.

THE editor of a business magazine ought to know what is topmost in the business mind, but sometimes it is difficult for him to make more than a rough guess. One thing that seems always of interest is maintenance of resale prices, for few subjects strike fire quicker in the minds of readers.

Last month THE NATION'S BUSINESS devoted some space to a discussion by Nelson B. Gaskill, Federal Trade Commissioner, of resale price maintenance.

Here are bits from some of the letters which this article stirred:

Alvan Macauley, of the Packard Motor Car Company, Detroit, writes to Mr. Gaskill that he has just read the article in THE NATION'S BUSINESS, and adds:

It is a long time since I have had the pleasure



Steam coil type SC. Uses live or exhaust steam. Where steam is not available, we supply Direct Fired type DF. Burns coal, coke, wood, gas or oil.

General Motors Corporation, St. Louis, Mo., equipped with 16 Inverted Skinner Bros. (Baetz Patent) Air Heaters. Note fresh air inlets, dampered for re-circulation.



Industrial heating has actually been revolutionized by the Skinner Bros. (Baetz Patent) Heater—it is the original heater of its type and uses no outside pipes or ducts as warm air carriers. It distributes warmed air evenly throughout every portion of the open area of a building and also acts as a ventilator and air conditioner, either in Summer or Winter.

Think About Next Winter, Now!

DON'T worry about heat next Winter—think about it now and you will do as hundreds of others have done before. Install Skinner Bros. (Baetz Patent) Heaters and forget your heating troubles.

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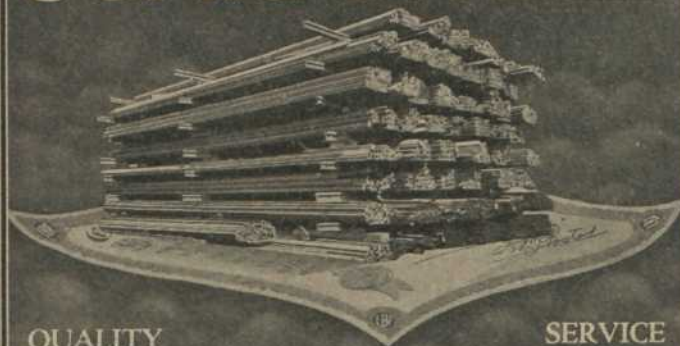
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of reading any article upon a complicated subject, so clear in its reasoning and so very admirably expressed.

Arthur E. Parsons, of the Brown, Lipe Gear Company, Syracuse, New York, tells us:

Mr. Gaskill's article is a distinct contribution to our information on this subject. As he so clearly points out in column three on page thirty-eight, the manufacturer of automobiles establishing a system throughout the country for the quick provision of duplicate parts and repairs, and the handling of these repair parts at fixed charges with fixed labor charges for making repairs, is performing a great service to the users of his automobiles. Such a practice, which is generally beneficial, if not lawful, should be legalized.

Again, the Supreme Court of the United States, which has held lawful the right of a manufacturer to refuse to sell to those not maintaining a suggested resale price, would confer a marked benefit upon the business men of this country if in holding unlawful a method coming before them of accomplishing this lawful object, they would either point out or define a lawful method to attain such object.

The mind of the layman is left in a maze with a lawful object identified, but with no practical commercial method of attaining it defined.

Herman W. Heidgerd, who is an importer and dealer in woolens in New York, writes to Mr. Gaskill that he, too, has read the article in *THE NATION'S BUSINESS* and would like a hypothetical case answered.

B. D. Zimmerman, President, Milwaukee Motor Products, Inc., wanted ten or twelve reprints, so that each of his men might have a copy of the article, for, says Mr. Zimmerman:

I have read with a great deal of interest your article in the June 5 issue of *THE NATION'S BUSINESS*. I have been following price-cutting legislation decisions very closely for many years and must say that you have presented the matter in a way that is clear even to the layman.

Donald F. Walker, Secretary, Clinton Advertising Club, Clinton, Ind., was moved by reading the article to ask some further information as to the right and wrong of fixing resale prices. He thinks:

that one of the most objectionable practices now in vogue is the fixing of resale prices by the retailer higher than the advertised resale price of the manufacturer.

The vice-president of a Washington bank drops a note to say that he, too, having read *THE NATION'S BUSINESS*, found the article "interesting and instructive."

Pretty good indications there of the class of audience *THE NATION'S BUSINESS* reaches—men of many industries, and all of them leaders and thinkers. The president of an automobile company, the general manager of a large manufacturing plant, the secretary of an advertising club, the vice-president of a bank, the head of a company manufacturing motor appliances—a mighty fine audience, say we.

AND in addition Oswald W. Knauth, of R. H. Macy & Co., writes us that he did not think Mr. Gaskill went far enough or made clear enough his position on resale price maintenance. Mr. Knauth wants *THE NATION'S BUSINESS* to ask Mr. Gaskill to contribute further on this subject. We have already done our part; we had turned to Mr. Gaskill as a possible contributor to the second series on Distribution soon to start in *THE NATION'S BUSINESS*.

FROM Sioux City Mr. E. M. Badgerow wrote us the other day, asking if we could not let our hundred thousand or more

readers know that the Government would close the year with a substantial surplus. This was one time when we had anticipated. We had already in the making the article which appears in this number by Mr. Smith on the Government's report to its stockholders.

A GOOD friend, Mr. A. C. Sherrard, of the Aetna Service Company, writes to ask us not to forget foreign trade in laying our editorial course. He has written his faith into some stirring verses called "Merchandise," which starts like this:

Merchandise! Merchandise! Tortoise shell, spices,
Carpets and indigos—sent o'er the high seas—
Mother o' pearl from the Solomon Isles—
Brought by a brigantine ten thousand miles.
Rubber from Zanzibar, tea from Nang-Po,
Copra from Haiti and wine from Bordeaux;
Ships, with topgallants and royals unfurled,
Are bringing in freights from the ends of the world.

The captious might object to rhyming "spices" and "high seas," and the moral would remind us that no more comes "wine from Bordeaux," but it is sound sentiment that sings:

Feed up your furnace, fashion your steel,
Stick to your bargains, and pay on the deal;
Rich is your birthright, and well you'll be paid
If you keep in good faith with your overseas trade.

OPPORTUNITIES in these states have long beckoned to ambitious souls in other lands. We accept our birthright as a matter of course. Opportunities are here in vast number and variety, but paradoxically we crucify those who make the most of these same opportunities. A perverted zeal points the finger of suspicion at all who rise above the average of accomplishment. Otto H. Kahn, banker and patron of art and music, speaking at a dinner recently, pointed out this American inconsistency:

We pride ourselves on the bigness and superiority of our industrial achievements, yet at the same time we indulge with the great freedom in the practice of knocking those who are the master builders of those very achievements.

Democracy is wrong, when it countenances government commissions giving to endless inuendo and irresponsible gossip the place and the scope that belong to trustworthy testimony, . . . when it tolerates unwarranted assault on the reputation of business men with resulting damage to the good name and fair fame of business both here and in foreign lands.

THE LATE Franklin K. Lane's solution of the problem that bothers so few of us—what to do with a billion dollars—has interested a number of our readers. One tells of a simpler ambition that appealed to a reporter of the *New York World* when Charlie Chapin was its querulous but capable city editor.

A group of newspaper youth were discussing what they would do, not with a billion, but with a million dollars when one—let's call him Sam Smith—said: "Do you know what I'd do if I had a million dollars? I'd go right to the phone and get the *Evening World* and say, 'Give me Mr. Chapin.' And when I got him, I'd say, 'Mr. Chapin, is there a man named Sam Smith working on your paper?' And he'd say, 'Yes, there is.' And I'd say, 'You're a damliar; there ain't!'"

M.T.

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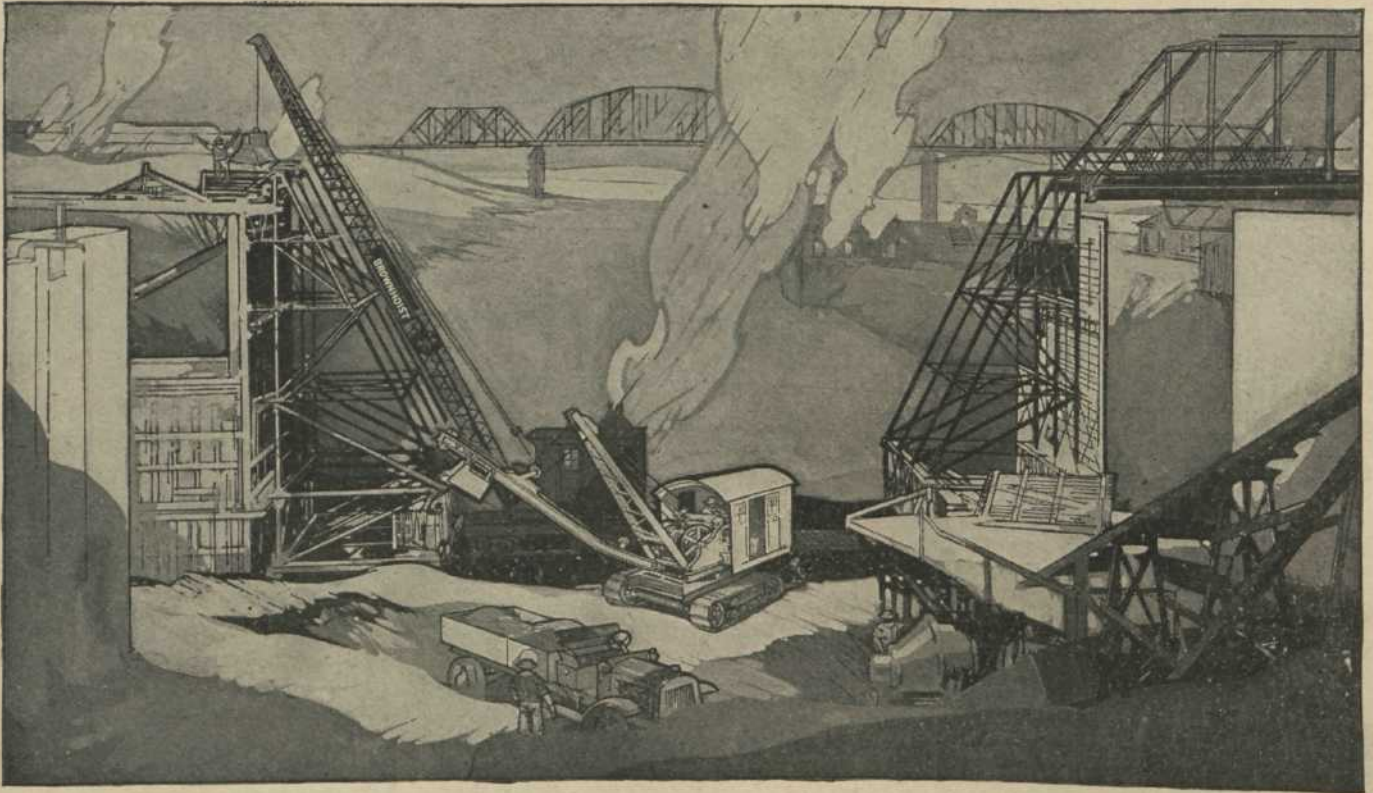
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M A T E R I A L H A N D L I N G M A C H I N E R Y

Uncle Sam Counts Pennies—and Millions

By ERNEST N. SMITH

YOU KNOW the usual scene when the President appears in public—the expectant crowd, the craning of necks, the fussy reception committee, the band, suddenly a cry and some hand-clapping and then as the whole audience sights the Chief Executive, a crescendo roar.

Well, it wasn't that way at all in the scene I am writing about.

The President and part of his cabinet and the crowd were all there; but there was no band, no excitement, no spontaneous applause.

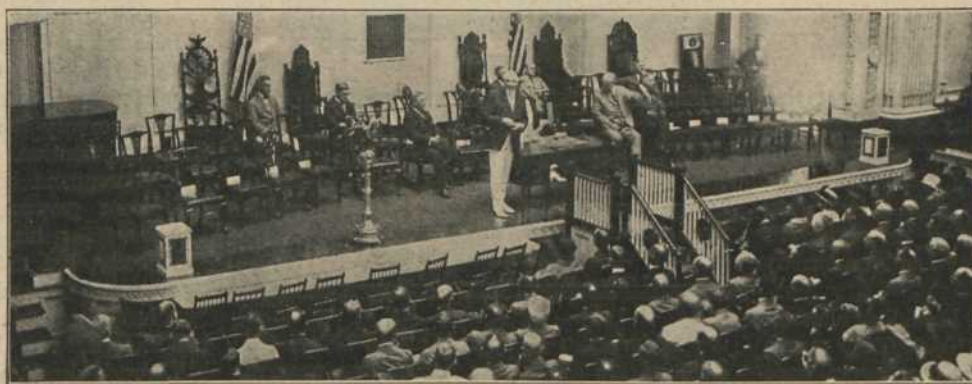
A hot summer's afternoon, a hall filled with an orderly crowd, a sprinkling of army and navy uniforms, a good many serious-minded men, and a stage bare except for tables, chairs and the American flag.

The occasion was the fifth regular meeting of the Business Organization of the United States Government at Washington, the listeners, government department and bureau chiefs and important assistants—the men and women who save or waste the funds that you and I turn over to the Federal Tax Collector each year. The speakers were two—the President of the United States and Gen. H. M. Lord, Director of the Bureau of the Budget.

At one minute before three o'clock several men walked upon the platform, and the crowd rose respectfully with courteous applause, stood for a moment and then settled back as Mr. Harding stepped forward to the edge of the stage, extended a quiet greeting and expressed pride in what the government employees before him had done in economizing during the past year and in assisting in turning an estimated deficit of \$800,000,000—as much as it cost to run the entire Government in 1908—into a surplus of receipts over expenditures of several hundred millions.

"You can all point with pride," continued the President, "to the showing made this fiscal year, as it is due in part to your untiring and unselfish devotion to the campaign for economy in the administration of the routine business of government."

Both the President and General Lord announced frankly that extraordinary and unlooked-for increases in receipts through the customs and other revenues, and a substan-



The town meeting of the government business heads

tial decrease in capital fund expenditures made possible a surplus instead of the anticipated deficit, which deficit might still have existed, however, had savings not been made upon ordinary running expenses.

A natural desire at the beginning of a year to figure high on expenses and low on income operates to set a high initial figure. With the development of budget technique, which will enable all departments to make closer estimates and a resistance to an impulse upon the part of various officials to announce financial savings at odd times for political effect, the preliminary estimates will be accepted by the nation with greater confidence. The importance of savings effected during the past year, however, cannot be minimized, for the record made was a magnificent one.

Plain Talk from the Chief

IT IS difficult enough for any business man to cut down expenses in his own establishment, which comes directly under his observation. How much more difficult it is to cut operating expenses over \$250,000,000 in a year in an organization scattered all over the globe and manned largely by men and women who for the most part have been educated in a school of government expenditure which counts that person disgraced who ever lets a nickel of a government appropriation go unspent.

The end of a program of economy is not in sight. The President, after pointing out that for the first time in many years the executive requests for appropriations and the legislative grant had been in practical accord, called for even sterner economy in the coming fiscal year, and demanded that every department not only keep within its appropriation, but set aside a reasonable reserve against ex-

traordinary future demands.

A gallery full of taxpayers should have risen at this moment with glad cries of thankfulness, but they weren't there to rise.

There were, however, many government employees sitting in that audience who had attended the original government business meeting two years ago. Some of them at that

time must have given but scant attention to demands for economy, and departed with their tongues in their cheeks to forget the advice, because expenditures went gaily onward until the Budget Bureau tightened up all along the line, then found some slack and tightened up some more, and then, metaphorically speaking, found the "line" cut in various places. At this point the original Director of the Budget, Gen. Charles G. Dawes, went down the line with a blunderbuss, a spy-glass, a magnifying glass and a collection of explosive remarks. The battle was on. It isn't ended yet. General Lord is continuing it in a satisfying manner.

"I have noticed from the hearings before the Appropriations Committee of Congress," said the President, looking his audience squarely in its face, "that some of the officials of the Government . . . were apparently under the impression that the estimates which their respective departments . . . submitted . . . were the official estimates which they were authorized to advocate before the congressional committees. I trust this erroneous impression will not prevail hereafter.

"I do not hesitate to say,"—the President spoke especially slowly and distinctly—"that the repetition of an advocacy of an estimate before the congressional committee in excess of the executive recommendation will be looked upon as sufficient reason to give consideration toward severance of employment with the Government."

That remark cooled the heat of the afternoon considerably.

Let no one infer that the President's lesson was directed wholly to his co-laborers in the government service. He had made a study of public indebtedness and public taxation, and said, "It brings a most astounding picture



The Indians



The Forest Patrol



Himself



The Coast Guard



The Aerial Mail

of the heedlessness of the people of this republic."

This remark he based upon the fact that although government costs were lowering, city, county and state taxes were, on the whole, mounting higher. While at the peak of the war the Federal Government took sixty cents and the states forty of the taxpayer's dollar, that percentage today has been exactly reversed.

A pity it is that old Ben Franklin's almanac is not in existence with a 110,000,000 a month circulation, because upon the cover page might be carried with profit the President's concluding remarks:

The spender is freely, though often thoughtlessly, applauded. But in the sober reflections of the people whom we serve, the honest and zealous endeavor to reduce the cost of government, which has an intimate relationship with the cost of living, is sure to win abiding public favor. We are doing more than serving ourselves, more than helping our own people; we are proving to the world that the way to recover from war excesses is to halt the outflow and to build anew, with exacting watchfulness in all public outlay.

When General Lord Elaborated

THE President then introduced General Lord, for "further elaboration." General Lord's talk left nothing to the imagination. It marked the straight and narrow way. It permitted of no argument. There were the facts. He thanked those men and women who loyally supported the Government's program of economy; he criticized those who half-heartedly backed up the program; he threatened everlasting war upon those who openly opposed it. All the business executives in the United States should have heard that speech. It would have heartened them and strengthened them for their own tasks.

General Lord didn't spend any more time flinging millions around than he did counting pennies. His was a human, what-became-of-the-ten-cents-I-gave-you-last-week-Johnny? speech. The employe who wanted to waste ink after hearing it wouldn't dare to do it in the dark. It was a speech wholly fitted to the occasion.

Did he go into detail? Let's see. Out of hundreds of thousands of telegrams sent last year by Government employes the Budget Bureau's eagle-eye caught this one, "Do not let any money lapse in any fund." It was from the representative of one of the big Government departments instructing his assistant to

use all balances of appropriations before the close of the fiscal year, which was near at hand.

General Lord's fist hit the table. "What justification," he asked, "can be offered for this open defiance of the President's instructions? The Director of the Bureau of the Budget has recommended to the Chief Executive that this official be separated from the public service."

Yet, as an offset, there were economies that gladdened the heart of General Lord, who early admitted that every additional dollar received into the Treasury had been welcomed with a benediction, every dollar added to expenditures had been anathema, and every dollar cut out of expenditures had a place on the roll of honor.

In the Department of Agriculture a bureau chief sent an assistant to procure Pullman reservations for a trip. He secured an upper when lowers were available. General Lord discovered it, paid a tribute to the man and ventured the hope that officials traveling on government business would henceforth luxuriate in the purer air of the upper berths.

In one year, according to General Lord, nineteen internal revenue agents drew \$13,400 for traveling expense. After the Budget system began operating, thirty of the same agents the next year drew \$6,900 in traveling expense. The Secretary of the Treasury called the attention of his entire field force to this achievement.

Not Only Rubber Can Bounce

ADVERTISING has a powerful influence, as we all know. Taking the propaganda for "Clean-Up Week" literally, two government employes labored to such effect that five barrels of government soap were found in the home of one employe and three barrels in the home of another employe. In this department a most extraordinary amount of towels were found tucked away in desks, file cases and closets. A clean towel may only be obtained now by turning in a soiled one.

In another department the daily absences from sickness and other causes averaged 1,000 per day. The absences were reduced to from fifty to seventy-five per day by some administrative attention.

A government employe made a ten-pound ball from government rubber bands as a plaything for his dog. The ball bounced beautifully, but not as high as did the employe when General Lord got into the game. "He has now ample time for playing with the ball himself," was the way the speaker put it.

Through department and area coordinators and coordinating boards, such as Purchasing, Contracts and Adjustments, Specifications and other groups and individuals, General Lord and his Bureau of the Budget are constantly at work to secure economy with efficiency. They go together in General Lord's mind.

The Thrift in Standardization

SO, TOO, do the infinite details and the expenditures of millions call for their proportionate share of investigation and comment.

The government bureau that had ample funds at its disposal recently, yet owed for supplies delivered last September, was brought quickly to account, not only for delayed payment but because of lost discounts. And then credit was cordially given to the War Department which earned discounts of \$477,000 in the fiscal year 1921, \$249,000 in 1922, and only missed during ten months of the last fiscal year, 1.76 per cent of the discounts possible to earn. The Government spent during the last year over \$250,000,000 for equipment and supplies.

Consider briefly the larger aspects of the work of the Budget Bureau as described by General Lord.

The Government has 9,400 leases now in operation with 396 separate forms of contracts and leases and 224 separate laws with which to conform. When merely the size and shape of the forms are standardized there will be a saving of \$30,000 yearly. A modified realty lease without the costly thirty-day termination clause and omitting some other unfair and unbusinesslike requirements has been approved. This new form would have saved nearly \$2,200,000 on the leases already in existence, according to General Lord's estimate.

A standard form of contract for procurement and for construction will soon be issued, also, a manual of instructions to bidders and contracting officers.



Diplomatic Service



The Navy



The Army



Research



Fisheries

In the last year and a half there have been drawn up for the use of all federal agencies fifty-seven standard specifications with specifications for fifty more materials soon to be issued.

On such a small matter as soap many departments and bureaus had separate and distinct specifications. A technical soap committee is promulgating specifications for a white floating soap to be used by all departments.

Uncle Sam has hitherto needed twenty-three different kinds of beds. That won't last much longer, because a special committee is at work; and it isn't lying down on the job either.

Eighty-four former traffic agencies have been replaced by nine, and government traffic work has been standardized. With what result? The Department of Commerce saved \$91,000 in six months. A new tariff secured on one railroad saved more than \$125,000 on shipments of ammunition alone. Along came a request from a government department to ship eighty-six carloads of "medical supplies." Investigation disclosed that the term "medical supplies" included furniture, hardware, plates and dishes and—oh yes—medical supplies. By a proper description on the bills of lading some \$10,000 was saved on the shipment.

Hope for the Business Men

BY DEMANDING more-carefully-prepared "copy" \$60,000 has been saved the Government during the last year in proof corrections, and the cost of printing annual reports has been reduced approximately \$80,000 in the same time by reducing the number and size of publications.

Federal agencies cannot, as in the past, lease space without regard to whether other government space in the same territory is unoccupied. A federal real estate board has saved approximately \$280,000 this year on leases.

Recognizing the inevitable natural growth in government requirements, a survey of future needs is being made; and already it is known that the Post Office Department will in the next ten years need 41 per cent more space than it now occupies.

The value of all the Government's realty has just been ascertained to be approximately \$1,179,700,000, and the inventory is 95 per cent complete.

The liquidating work of the Government resulting from the war has nearly ended, with

Three billion dollars is what you will pay this fiscal year to keep at top speed the thousand and one government activities that are considered necessary in the actual operation of the great organization doing business under the firm name of the United States of America.

total cash sales of \$1,249,000,000 and transfers of property with an estimated saving of \$91,000,000. The final disposition of surplus real estate has not yet been effected.

And so General Lord's story ran the length of human endeavor from the items having no particular influence on the government total but serving to emphasize the need for individual economies, to the hundred-million-dollar appropriations of the largest departments and establishments. Never for a moment did the Budget Director lose the human touch in his story, and he strongly emphasized that there could not be one standard for private transactions and another standard for government service.

In the heartening story of business reform within the Government the business men of the nation have a genuine interest. Those substantial firms that have refrained from soliciting government business because of red tape, obsolete specifications and slow payment, may take hope that before many more months have passed government business may be placed upon such a modern plane as to make of the Government a valued customer.

The budget system in itself is but the means to an end. Its mere establishment did not effect the economies noted, and there will come a time when the Budget Bureau, acting as the representative of the Chief Executive, will recommend increases. But the operation of the Bureau of the Budget serves to point out where waste occurs and makes plain those bureaus and establishments or branches of the Government that do not secure full value for the taxpayer's money. Public opinion will do the rest.

Checks and Balances

IT IS within the legal right of Congress to change the budget which represents the conclusions of the Chief Executive, reached after careful analysis by his investigating agency, the Bureau of the Budget. If the President gives in detail his supporting reasons for his

budget, Congress can change them materially only upon its own responsibility, and must make its explanation to the public. Here we find a splendid example of the system of checks and balances which is so important a part of our federal structure.

The President has insisted upon a further reduction in government operating expenses for the fiscal year which began July 1, which means that the expenditures estimated for this fiscal year must be reduced by approximately \$162,000,000.

Where the Billions Go

ON THAT basis the Government will expend, including a half-billion dollars devoted to debt reduction, a sum approximating three and a half billions of dollars. And it will be used by the ten departments, thirty-three independent establishments and the legislative and judicial branches of the Government, to quote General Lord's own vivid description, to "pay interest on the public debt, and provide through the sinking fund for its gradual redemption; settle claims; hire help; buy supplies and equipment of every kind and character known to commerce, from tacks to locomotives, and from drugs to dirigibles; purchase railroad tickets and postage stamps; rent buildings; manage hotels, hospitals, prisons, soldiers' homes, steamships, canals, experimental farms and national parks; dredge rivers and harbors; encourage irrigation and control immigration; conduct relief work; develop commerce; regulate railroads; compensate injured federal employees; conserve the public health; promote the welfare of the laborer; issue patents; foster the arts and sciences; direct the affairs of state; pay pensions and compensation to war veterans, and provide for their insurance and vocational education; save lives and salvage arid lands; care for the Indians; build roads; erect monuments; finance corporations, railroads, and farm-loan banks; pay the expenses of the legislative establishment; administer justice and enforce the laws; preserve the national forests; wage constant warfare against the warble fly, the sheep tick, the boll-weevil, and other pests; maintain an army and navy for the national defense; operate through the Post Office Department the largest communication system in the world and do the thousand and one other things that are considered necessary in the actual operation of this great organization doing business under the firm name of the United States of America."

Romance in the Bypaths of Trade

By **FREDERICK SIMPICH**

Illustrated by **Charles Dunn**

Chesterton wrote a book called "The Club of Queer Trades." He might have written it from the Consular and Commerce Department reports. Skeletons, horse tails and Chinamen's tails; tiger bones and fish eggs, civet from African wild-cats sealed in cows' horns for American perfumers; these and a hundred other things are bought and sold in the world markets. Trade, says Mr. Simpich, may be slow; it's never dull. And this article will make you think he is right.—The Editor.

ONCE AT Nogales—on the Arizona border—I watched a passenger train pull in from Mexico. Suddenly from a dusty car up near the engine there staggered out an express agent, haggard and wild. "Suffering centipedes!" he panted. "Give me a drink—quick—and hunt some other idiot to take that car through to New York. I'm quitting!"

Then from the car there burst such screams, curses and yells, beside which the confusion of tongues at Babel was like the professional whisperings of an undertaker.

"Hear it?" groaned the panting agent. "I've stood that racket for two days and nights. If it's true there's fifty-five dialects spoken in Mexico, then I can say *Polly wants a cracker* in just that many languages!" The car was full of parrots—4,000 assorted pretty polls—consigned to some bird store in New York.

I told that yarn lately to the skipper of the *President Harding*, Bremen to New York. He smiled—knowingly. "Come with me," he

When our Filipino band plays, the seasick birds buck up and sing."

It's a misuse of words to say "trade is dull." Sales may be slow, or business bad; but trade is never dull. And truth, even about trade, can be more fascinating than fiction. On trade our very

chuckled. Down between decks we came upon cages of canary birds—hundreds, thousands of them. "We haul so many we have to hire a special bird man to feed them, clean the cages and keep 'em cheered up. Often he hangs a few dozen cages in the tea room up on the boat deck.

civilization stands. It's trade that tempts men to war, and war makes heroes, adventure, romance and love! Trade—commerce—traffic between men and nations, in one of its myriad phases, hatched the plot for every story ever written. So long as men barter and sell and fight over their possessions, comedy and drama will find their plots.

It was night in Basra, old haunt of Sinbad the Sailor. The "date season" was on. From

the vast groves along the Shat-el-Arab thousands of tons of dates had been brought. They lay now in heaps on straw mats, spread out in the dust of the date-yards, great brown heaps of sweet, sticky dates. In daylight millions of flies swarmed over them.

From dawn till dark bands of Arab women in black robes, yashmaks and great gold nose and ear-rings, worked and fussed, sorting and packing dates. They rested from their work now, mingling with the crowds.



Before a salaaming, bearded Jew who peddled pearls, a strapping Arab, long crooked knives in his belt, argued excitedly, bought a black pearl and stalked away. "His pretty wife ran off with her lover," the Jew gloated



Excited, clamoring quarreling people were everywhere. Arabs go mad in the date days. It

was like a gold rush or an oil boom town in Texas. Out in the stream lay special date ships—ships that dash out to the Persian Gulf every year to get the date crop and hurry it back to Yankee marts.

Above the human jabber rose the wail of Bedouin flutes and the rhythmic thump, thump, of a goatskin tom-tom. On the flat roof of a mud-walled theater painted girls in spangles and jingling anklets swayed and danced, coquetting with the arrak drinkers. Back in the smelly bazaar the sound of shots arose. Somebody was fighting. Before a salaaming, bearded Jew who peddled pearls, a strapping Arab—long, crooked knives in his red belt—argued excitedly, then bought a black pearl, and stalked swiftly away. "His pretty wife ran off with her lover," the Jew gloated. "So he bought my magic black pearl. Now he can follow; he has only to mount his camel at dawn—then look through the magic pearl. Wherever his guilty wife is, he can see her and her lover. When he catches up—" he drew his dirty finger across his throat, an ominous gesture.

Whenever I see a customer flip a dime to a Greek and ask for dates, I think of Basra—where Sinbad lived—and the "date season"; of noisy, smelly nights; of that man who bought the pearl, his long, curved knife—and the fugitive lovers. Who says trade is dull?

It can even be ridiculous. English housewives threw a fit lately when the alarm was spread that big lizard eggs were sold in the markets and labeled "hen eggs." They had

been shipped in from China and Egypt, the story said, and excitement was so great the women didn't calm down

until an agent from the Zoological Society appeared in the House of Commons and testified as an expert that England wasn't being fed on lizard eggs.

London bought 250,000,000 eggs from the East last year; many of these, he said, were so much smaller than the average hen egg that the cry started about their being of reptilian origin. The tree-climbing Gecho lizard does lay a fair-sized, hard-shelled egg—fit for food—we are told. But she's not built to stand the wear and tear of laying an egg as big as hen fruit.

Queer trades flourish in the nooks and crannies of the world. One shop in Peking makes small, light reed instruments, like tiny aeolian harps. These are fastened to pigeon's tails, so when the birds circle over the Chinaman's housetop, the rush of air plays the little musical toy and its soft strains soothe his pagan breast.

"Thank you very much, Mr. Alan Goldsmith," wrote one grateful Yankee importer to the Chief of the Division of European Affairs, in our Commerce Department. "I sell human skeletons to anatomical laboratories, but prices here are high and skeletons scarce. My business was just about ruined till you told me where I could buy skeletons in Middle Europe."

And, by the way, our customs collector at San Francisco once classified skeletons as "personal effects, previously used."

If it weren't for the men who peddle life-saving gourds, many a Canton baby would drown. In Far Eastern rivers millions of people live all their lives on houseboats. On each youngster's back is strapped a light gourd, or a joint of seasoned bamboo—so he'll float if he falls overboard. Family ducks, tethered by a long string, are thrown overboard in the morning, to dive for a living,

and pulled back on the boat at night by means of the string. In North China thousands of fish are sold every day, caught by trained cormorants.

Tientsin is a city of larks. Men

peddle them in the street. Dignified old merchants, when their shops are closed, put on their brightest silks and go for a stroll, each carrying his lark and a handful of grain. He throws the grain up in the air, and the tame lark flies from the man's shoulder up into the air to get the grain. Or the bird sings as it is carried along! It's a happy, wholesome culture, in many ways, this Chinese civilization. Sometimes it seems a sin to change it. Why not walk out, carrying a singing lark, rather than scorch along in a flivver, slaying those who *have* to walk—reasons the so-called heathen.

On the other hand, if the Siamese insists on clocks with owls' faces, wherein great, green eyes goo-goo back and forth in time with the second hand—well, why shouldn't Yankees supply them? If we don't, the Germans will!

Riding through Tientsin's native quarter, I came upon an open space, maybe an acre in extent. It was covered with wooden trellises, like a vineyard or a California hop field. And on these frames were hung thousands of horses' tails—blacks, bays, whites, sorrels, every shade of hirsute adornment. "Why this assortment of equine caudal appendages?" I inquired of my scholarly Chinese companion, who wouldn't have understood had I asked him "What're all these horse tails here for?"

"A singular phase of our modest native commerce," he explained. In short, a Britisher had come out from London to buy horsehair. This was his place of business.

Here the tails were brought by natives and offered for sale. Here, too, they were sorted, cleaned and baled for shipment.

Pig bristles, too, form a chief item in Tientsin's exports. Uncle Sam buys two or three million dollars' worth every year, our consul there tells us. From Poland, too, we get a lot, so you can have a new toothbrush when you need it.

Dogs for Dowry

DOGS are raised for their pelts in Manchuria. They told me in Mukden that when a girl marries, a favorite dowry is a dozen dogs to help the groom start a dog-skin business. When it's time to market the dog's fur, they choke him to death—to avoid harm to his pelt. At Newchwang I heard of a dealer who exports over 100,000 dog skins a year.

Tiger bones, too, figure in the Manchu trade. Chinese powder them, making a medicine which imparts courage and strength to the taker. Another odd item here is brick tea from Gobi, a low-grade tea leaf and sweepings pressed into oblong blocks. In a native restaurant where I got some soup, they dropped in a chunk of brick tea, just for luck. In Kuan Cheng good glue, called "a-choe," is made by stewing donkey skins, tails and ears.

Refrigerating cars make our great meat trade possible. They're wonderful. We're a smart race; we admit it. Eleven hundred years ago, when the Nestorian Christians fought their way up into Mongolia, they found a flourishing frozen meat trade. From Kalgan the Mongols carried carcasses of beef and mutton down to Peking on their long-haired pack camels. But all they had to worry about was a sudden thaw—for they only made these trips in winter! Our doctors say cut out fats in hot weather. Even the Igorots know this, and never buy a fat dog for food. If you loiter through the Luzon lowlands below Benguet, you'll see Igorot dog-buyers working for the tribal butchers. They buy lean dogs, four, six, ten on one rattan-vine string, and lead them up into the mountains for food.

One famous American woman taught school here. Every pupil, as he entered the little bamboo schoolhouse, was taught to say, "Good morning, Mrs. Kelley."

Once a member of her aboriginal flock wandered down to Manila, got in trouble, and stood at the bar of police justice. The judge entered; for a few seconds there was silence, till the Igorot remembered his training.

"Good morning, Mrs. Kelley!" he yelled.

Among all odd business deals few can compare with the efforts of that Yankee syndicate which once sought to buy the volcano of Popocatepetl, which towers above Mexico City. You may all recall the amazing genius of Cortez, and his conquest of the Aztecs. Running short of powder, he let his bold companion, Sandoval, down into the smoking crater of this volcano on a long rawhide rope to get sulphur for powder making. It was to get at this same vast sulphur deposit, and also to chop ice off the top of Popocatepetl and run it downhill to the city, that this Yankee syndicate was organized. It

actually had the capital raised—ten million pesos, they say—but couldn't get a sound title, for old Popo is claimed by the ancient Mexican family of Ochoa.

Putting over the Yankee product in far-away ports isn't always easy. In one jungle island town a certain firm tried to sell a telephone system.

"With this miraculous instrument," said the doubting chief to the salesman, "you say you can talk 150 miles—clear across this island. That's impossible. My wife can yell louder than any woman on earth, and you can't hear her over two miles—even on a still night."

A bat with a big, flat head and tiny ears lives in the mountain caves, and breeds by the thousands down in Sonora and Sinloa. Hunting these bat caves, with the rich guano deposits they contain, has become a recognized industry. Hunters work at it, just as the old-timers out west used to hunt bee trees. At dusk a hunter hides near a cliff or up a box canyon and watches the flight of the myriad bats. Soon he locates the hole they're coming from and next day explores the cave. Sometimes small fortunes are earned from the product in one cave. From this same region, also, comes cargo of fustic, or dye wood, which we use in coloring wall paper and khaki cloth for the army. This khaki, by the way, was first discovered and named by a Yankee missionary away out in India.

You may read that in the raid on Dandy Jim's Place, or the Legal Tender Casino, faro layouts, roulette wheels and "other gambling paraphernalia worth \$5,000 was seized and destroyed." Who makes it? Where is it advertised? What sort of men are salesmen for it? I met such an agent once on the China Coast. He was sending a whole junk load of slot machines into interior towns especially adapted for using the China twenty-cent silver piece. Another adventurer was traveling through the Orient with a Russian circus. His specialty was a sort of shoot-the-chutes amusement feature.

Worm Holes for Sale

"**I'M GETTING** a little money," he said, "but in a curious way. The Chinese crowd won't ride—either they're afraid, or don't want to get their silk clothes wet. But they'll pay to get inside the straw enclosure to see my helpers run the empty boats up and down!"

Even the export of worm holes can be made profitable, says the Department of Commerce—if you know where to sell them. One of our lumber exporters shipped some oak abroad on consignment. It was found to be wormy, and would ordinarily have been unsalable. By accident, however, the consignee visited a furniture shop where "antique" grandfather clocks were made, and casually mentioned the wormy oak.

"I'll take it all," the clock man said. "Then I won't have to bore old worm holes by hand!"

Grief and pain was the portion of one Yankee firm that tried to sell baby buggies and "kiddy coops" in Japan. No chance! That gentle, swaying perch on his mother's back—a la papoose—suits the Jap youngster fine. There's less music, but more money in a

ukelele than in a jews-harp—or maybe only the grass-garbed girls of Honolulu can thrum it out.

Anyway, hard on the heels of the first hula hula craze came a nation-wide demand for this toy instrument. Obscure makers in the Islands were swamped with orders—and shops here answered the call. Literally tens of thousands were turned out.

Strange as it may sound, "Manna" is for sale in the native markets of many middle eastern lands. And, the manna we read about in the Bible, notwithstanding the miraculous circumstances that distinguish it from the modern article of commerce, answers in description very closely to the small white, sweetish flakes which the Kurds shake down from their manna trees in the early morning. In the Persian bazaars you see manna cakes, made by mixing flour and these manna flakes—or agglutinated tears, as the botanists call them.

In Italy, too, and throughout the south of Europe and Asia Minor, there grows a certain ash tree, from which a fluid is taken, called manna. This is worked up into small cones and sold by apothecaries as a medicine.

Fish Jam to Bird Nests

CAVIAR or "fish jam"—as naval officers call it—is only the eggs of sturgeon, cleaned, salted and tinned. We make it in this country, and around the Mediterranean you can buy it, made from mullet eggs. Yet, somehow, only the Russians can do it right like that which, as we're told in Hamlet, is really "caviare for the general."

In the food and drug trades particular odd items of trade abound. There's the "bombay duck" of India, which always comes with the curry and chutney. And bird-nest soup. What a thriller could be written on the strange adventures of these hunters who scour the East Indian sea-cliffs, swinging down fifty and a hundred feet on frail ropes made of vines, hanging suspended over the pounding surf, in quest of these nests!

And then the durian fruit of the Malay countries—so big that every year men and women are killed by being hit on the head when this giant fruit is blown from a tree! Yet how they prize it—for it makes old men young! A few bites, we are told, and youth comes hurrying back.

And there's the mangosteen—famous as holding the flavor of a dozen different fruits. They say Queen Victoria offered a reward of 100 pounds to the British Skipper who could bring her a mangosteen from the East—but the fruit is too delicate—no way to transport it has ever been found. Yet it has a wide sale in the tropic East.

Another article by Mr. Simpich on the vagaries of trade in various corners of the world will appear in the September number. He carries the reader from hunting wild guineas along the Euphrates to dealing in ivory tusks, leopard skins and ostrich feathers in Somaliland.

The Post Office

By HENRY S. DENNISON

THE ALMOST universal and immediate response which I get when conversation calls attention to the post office as a business institution, is that the fundamental difference between a business institution and the department is that in the latter there is politics. In the strict sense of the word politics is to be found wherever considerable groups of

The Administration promised "more business in Government." Here an eminent manufacturer discusses our Postal Service from the standpoint of business efficiency. It's the report of a man who knows, on a business that affects us all.

the influence of politics. A pitiless, glaring publicity, for instance, advertises every account and every salary and offers every

A most fundamental difference lies in the practical certainty of a short tenure of office by the chief executive. It is not merely that he seldom if ever has come through the ranks—a good many chiefs of our larger corporations haven't—but the fact that the



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men are associated together in public or private activity, whether for business or pleasure.

At its best, in business and in the Post Office Department, politics means that, other things being equal, those men who are like-minded to the administration, whose interests are in the main parallel, are to be chosen. At its worst, it means that without regard to abilities, men are put into one position or another because they are party henchmen, or friends, or relatives of stockholders or directors. It usually happens, today at any rate, that where we have a rather clear-cut and satisfactory way of deciding on the ability of a present or proposed incumbent of a post-office job, politics is of mighty little account; but where there is in existence, or in use, no such measure of ability—where in effect, only rough judgment can be exercised by anyone as to whether a man is fit—then it is natural that the preferences of the group in control should predominate.

There are several differences and some resemblances between the Postal Service and business which are more fundamental than

misstep as a sacrifice for a Roman holiday.

Everyone of us feels it proper—yes, even virtuous—to tear any government activity up the back; and according to Freud we criticize most valiantly any weakness we feel subconsciously most ashamed of in ourselves. How many of us here feel certain that our own concerns would uphold the tradition that private undertakings are marked by

great ability of management, if the searchlights were thrown into every corner from above, below, and alongside?

The subordination of the profit motive to the service motive is a very characteristic peculiarity of the Post Office Department. At times it results in relaxing attention to expense, but as often, or rather more often—since a part of its service to the country is to keep costs down—it results in a watchful care of expense or even sometimes, in extremes of expensive economy; at all times, however, the consciousness that its service shall fill the vital need of the country is always present and sooner or later always wins.

In its somewhat too wooden adherence to laws and regulations it differs from many of the larger country-wide corporations, only in degree. This partial abdication of government by reason to government by phrases must always result when just too much overhead expense is squeezed out; and much more where an absentee board of directors, lacking full confidence in its executives but none in itself, begins to lay down the law.

average term has been three years, and that only in rare cases has a Postmaster General held office more than four years lends any project which must run beyond that period for its full fruition a somewhat weakened vitality in its interest to him.

Now unless my experience in business is highly exceptional, it is true that many, if not most, worth-while projects in a country-wide organization must take more nearly seven years to get into full bearing. And, again, unless I am a freak, it is just exactly the chief executive who should forever be peering ahead into the next five and ten years if his organization is to make sound and steady progress. No hired man below the chief can in any organization be put in charge of the Department of the Future.

That the Post Office Department is free from competition may soften its fiber a bit—it need not, however, if a well-qualified statistical division were organized to put it into true competition with its own past; but any softening even now is at least partly made up for by its freedom from many of the fool moves we folk in competitive business are driven to—or do we sometimes merely think we're driven?

In its organization—I am neglecting for the moment its physical equipment—the Post Office Department suffers more seriously from one cause than any other: that is the persistent pressure put upon it to keep down its overhead expenses. In this respect, at least, Congress, which is the Board of Directors of the Post Office Department, has undeviatingly followed the course I have heard com-

plained of many times as frequent among absentee boards of directors.

The dollars spent overhead appear to them fair game, and it is the king of indoor sports for absentee directors to lop off a dollar of overhead without any attempt to discover whether that dollar has been saving \$10 under foot or not. It is often possible to get on with a little less clerical help to carry on the routine work, perhaps by introducing more form letters. So gradually when a huge department gets to be run chiefly by rules and regulations and by stiff and generalized forms in place of real communications, because no one has time enough for a thorough consideration of specific cases, or a chance to write letters in a way that would encourage mutual understandings—then it is easy to complain of officialdom, woodenness and bureaucracy.

The Process of Brain-Squeezing

This isn't the worst of the evils involved in squeezing out the brains of an institution. Just the moment that they are restricted to barely sufficient to run the routine work, there comes to be no opportunity for inventive, constructive, progressive thinking, which will develop new ways of doing business or adapt old ways better to suit new conditions.

From top to bottom the Post Office Department suffers from the lack of the few hundred thousand extra dollars per year which should be allowed for a more personal approach to the management problem and for thinking, experimenting, and research into continual betterments.

But what large modern corporation can afford to be without a research staff? It is impossible for me to believe that the Congress, if presented with appropriate examples of existing business practice, would not provide for a proper research staff—mechanical, statistical, and commercial—which under the Postmaster General could carry on constant criticism of current methods, and constant investigation and improvements in equipment and in organization.

It will be of incalculable value to the spirit and to the effectiveness of the Post Office Department when it can be made more obviously true than it is at the present moment, that the post office offers a career which should appeal to the ablest men. It is true at the present time that there is a great deal of advancing through the ranks, that a good many postmasters have had considerable previous experience in the lower grades, and that many officials in Washington started at the bottom of the ladder; but two influences make of less actual value this fair picture:

First, the supervisory officers as a whole are, relatively speaking, underpaid, and especially the group at Washington, upon whom falls the burden of guiding and making consistent the field policies in 45,000 separate offices, so that as a general rule one might almost say promotion is its own reward, there being entirely insufficient financial incentive.

Second, postmasters are appointed for a term of four years and must be residents of the locality in which they become postmasters. All normal flow, therefore, from office to office, as fast as ability warrants and op-

portunity offers, is stopped, and when a change or reappointment of postmasters is suggested merely because an arbitrary term has elapsed, there is a very strong tendency to bring immaterial issues into account.

If the present system is taken for granted, I cannot see where one has much right to complain if among the first three candidates there is frequently chosen an interested party worker. At the present stage of our psychological knowledge, the choosing of the first three must, at its very best, be approximate.

No scheme has yet been devised which, by impersonal analysis, will pick out precisely the best man for postmaster; and if on the one hand the term appointment carries a political opponent along in office, unless a very serious charge can be brought against him, so on the other hand will it be normal to expect the selection of the man who seems like a friend rather than an enemy.

There should be in the post office a system of indeterminate appointments. The postmasters should be appointed during good behavior, and promotion from supervisory positions to postmaster and from the smaller to the larger offices should not only be allowed but encouraged.

I usually dislike to admit that there is in any institution a "most pressing need" or a "most vital measure." Yet there is in the Post Office Department one pressing need which cramps opportunities for betterment in almost every other direction, from the consciousness of which it is practically never released. This is the need of more floor space.

There has been sent into Congress a list of 150 post offices in federal buildings in which the working space divided by the numbers of the regular crew gives a quotient of less than 65 square feet per man. When large distribution cases, bag racks, aisle spaces, trucks and the like are provided for, the postmaster begins to wish his men could fly or walk on the ceiling. Seventy-five of these offices have less than 50 square feet per man, and no reasonable allowance which an industrial engineer would make would be less than 100 square feet.

Pork—And Sheer Necessity

The total bill for this list of offices, which eliminates rented buildings entirely and confines itself only to the government buildings, is 100 million dollars.

"Pork," immediately shouts some cheap newspaper. Absolutely no such thing! There is such a thing as "pork," which consists in the making of a bulk figure for a building program and apportioning the buildings among the representatives in accordance with their tastes and desires. But this is not pork; it is a list of the buildings in which the need can be mathematically figured to be so great as to leave no questions of doubt. It is a normal businesslike building program, which calls for first relief where relief is most needed.

More worthy objections can be raised to this building program than the bugaboo of "pork." One comes from the advocates of a careful watch of the business cycle, with whom I am in hearty accord. Their doc-

trine is that no building which can be postponed should be undertaken near the peak of the cycle—that during good times as large a percentage of such work as possible should be withheld and planned for depressions. Anyone who has traveled much among the post offices of the United States will agree without hesitation that a very heavy percentage is still being withheld if only 100 million dollars is provided.

The second businesslike objection is that space can be saved by providing for closer cooperation with customers, by shipping millions of pieces direct from the point of origin to the stations, thus freeing the post office buildings from their reception and handling entirely, and by inventions in the field of parcel post handling. Much is to be hoped for in both these directions. The latter, especially, gives us promise, because it is partially due to the inclusion of parcel post in 1913 that we now find ourselves in our present hole. Moreover, there are extremely interesting experiments now going on under the Second Assistant Postmaster General, but the offices listed are so far beneath the line of propriety that we could remove parcel post from them entirely and still need more room.

Parcel Post Problems

This statement of parcel post possibilities has been prepared by the Second Assistant Postmaster General:

If the parcel post continues to grow during the next few years as it has grown in the past, there is no doubt in my mind that, sooner or later, there will arise so great a necessity for a change of methods as greatly to embarrass whatever Post Office Administration may be in control at the time. It seems to me to be the part of wisdom now to undertake to develop a plan and put it in operation a little in advance of the time when such an idea might have to be worked out under the force of a compelling necessity which would not permit a deliberate study and careful planning.

The following suggestions therefore have been worked out:

(1) Parcel post should be divorced from all other mails, this from an operating point of view. This divorce should include all packages above a certain very small-sized package, say a package as large as a cigar box, and include all post offices above a certain standard of size. For example, I believe it could be well made to include all post offices in cities where the population is greater than 5,000 or 10,000 people.

(2) Except in certain sections of the country, parcel post now moves between cities and towns on the railroads on each of several trains in each direction every day. That is, a portion of the parcel post originating in one town for dispatch to another town moves at one hour, another portion at another hour, and so on during the 24-hour period. I believe that in these interurban movements the parcel post should be confined to one movement one way over each line of railroad every 24 hours. This will make for sizeable shipments and will immediately relieve us of the embarrassment which the parcel post is now creating in the matter of delaying trains, and can be so worked out, I am sure, as to provide for just as rapid an eventual delivery as is now being achieved.

(3) Parcel post is now handled in mail bags and sacks. Some sort of substantial hamper should be substituted, to my mind, for the mail bag and sack as a container.

I would suggest that our present method of dispatching parcel post through our system of 53

railway mail terminals and post offices be abolished, upon the following basis:

I would suggest that the railroad division be used as the distribution unit for parcel-post (there are approximately 2,500 such railroad divisions in the United States). I would suggest that parcel post be moved from its point of origin by the railroads once in 24 hours over the most expeditious route, first, as to the nearest junction with the railroad upon which eventual delivery is to be made, and, second, to the head-out point of the particular division upon which final delivery is to be made.

These two movements, to be accomplished on trains operating on passenger train schedules, could be largely regulated and provided for in the matter of schedule, equipment, etc., by the railroads. In other words, over these first two movements the parcels might ride in either an express car, baggage car, or in any sort of car, mixed in with shipments of another character, always providing they moved forward without delay on the passenger train schedules.

The final movement over that part of the division where the delivery is to be made would, under this plan, be on the local passenger train, there being such locals moving over each division, each day in each direction.

Although this would call for the technical abolishment of our railway mail terminals as distribution centers, as a matter of fact those same terminals could be used for distribution purposes under this plan. Upon arrival at the station of ultimate destination, my plan would be to have the parcels held in either the baggage room of the railway station or in the freight house of the railroad, to be taken directly from there to the address of the consignee by the local postal delivery service, thus eliminating the post office from the job of storing, sorting and dispatching city delivery of parcel post. The parcels going out would be frequently taken from the post office or stations of the post office to the freight house or baggage room and there properly sorted for movement in one direction or the other once in every 24 hours.

The Road to Ruption

I HAVE heard it suggested that the parcel-post service should be given up entirely. Frankly, it strikes me that the man who would debate this question would earn the terrible title of "theorist." Once give a hundred million people a service of this sort and three generations of Czars would find it impossible to take it away from them without ructions. Moreover, if we should attempt to agree among us here just what parts of it might be withdrawn, and the wishes of every considerable interest were acceded to, I doubt if a hair of its old gray head would be harmed.

The post office is beginning to become conscious of the necessity of a selling department even in a monopoly. This is certainly in keeping with the trend of the times, for except in a few short periods like the present, a heavy load will be put upon the selling departments of the United States for the next ten or twelve years. But without waiting at all for any thoroughly developed campaign to be undertaken by the Post Office Department, the business men representing

on the one hand the customers of the post office and on the other its owners, can step out to meet it.

This you can do very simply and very practically if you are a small mailer by arranging to have what little correspondence you send out sealed, stamped, and dropped in the box at regular intervals during the day instead of letting it all wait until closing time. If you are a large mailer, you can



The working space in our post offices averages 65 square feet per man. When distribution equipment, aisle spaces and trucks are provided for, the postmaster begins to wish his men could fly or walk on the ceiling.

go to your postmaster and work out with him in precisely what ways you can organize your mailing service to give both him and yourself the best results for the least money.

According to the size and nature of your business, this will range from a simple assurance of letters being sent along at regular times during the day to the establishment of a sub-office, or an actual branch of the local post office in your own establishment.

These branches are already established in many obvious cases, such as large mail-order houses; but I should not hesitate, myself, to make a personal guess that there are not far from 10,000 other establishments where a partial local service could be instituted with mutual satisfaction.

The post office business can be further bettered by mutual cooperation in three fundamental ways, whose efficacy is amply proved by the many cases now in effect; in the first

place, by the reduction of the extreme peak load which now amounts to an average of 70 per cent of the mail having to be worked after 6 p. m. and until the morning of the next day. Only 30 per cent of all mail can be worked during the hours from 7 a. m. to 6 p. m.

In the second place, it could be done by saving some of the facing and distribution of mail matter through having addressing machines so arranged that a part of the assorting and all the facing is done to begin with.

Finally, mail can go direct from its point of origin to the railroad station where its quantity is sufficient. It is certainly true that in thousands of cases we are sending parcels to a post office, helping to crowd the office while they are being assorted and shipped off to the railroad station.

It is more direct, simple, and profitable all around, saving money and speed of delivery where the mailer assists in making arrangements for the part time or full time of a clerk to cancel and assort such packages, shipping them direct to the station, cutting out the post office building entirely, and saving its room for mail purposes which cannot be treated in this way.

The Chance for Cooperation

NOT only does the daily peak load force the installation of facilities which cannot be fully used, but its incidence at the end of the day means all of the difficulties of personnel management which night work involves. Moreover, there is another peak load at the beginning of every month.

Much of this is inevitable in proper business procedure, but a close contact with the postmaster will make almost every one of us discover that besides the regular statements and other monthly mailings that we must make, another branch of our businesses, perhaps the advertising, may be adding to that peak by sending its material out at the same time.

It can be of great assistance wherever a large batch of such mail as advertising matter can be sent along to the post office some days before it is to be forwarded, in order to give the office a chance to fit its assortment in with their other work.

This is only the barest hint of the ways in which the customers of the post office can cooperate to the gain of both, and to a profit to this Department of certainly no less than \$10,000,000 per year. This is so great a prize that the Department is now working hard to gain as much of it as its financial restrictions will allow, but as owners and customers it is decidedly business common sense for us to offer our cooperation freely and at once. To encourage and develop this cooperation I hope that the United States Chamber of Commerce will make it a matter of specific attention and will urge local chambers to appoint—or where already appointed to spur on—committees on Postal Service.

Economics Over the Counter

By JAMES B. MORROW

WHEN ONE reads what Senator Hokum says in a speech or newspaper statement about the living wage, the democratization of industry, the incompetency of railroad presidents or the greed and rascality of bankers, the chances are that the statistics he employs have been bought and paid for, exactly as was the case with the shoes on his feet and the coat on his back.

Statistics, like lumber and steel, can be purchased in the open market along with what may be termed their "interpretation." For example (Senator Hokum is addressing the Senate in person, or the commonalty by interview concocted in his office):

"There are 50,000,000 cats in the United States of America. What, I seriously ask the people of this great country, the greatest and grandest on God's footstool, does that signify? Fifty million cats! Translate that staggering fact, men and women of the nation, into such a simple but nourishing commodity as milk. I have learned (looking at a paper in his hand) that a healthy cat (and all cats seem to be healthy, notably in the middle of the night) will lap six ounces of milk per day—in the morning, in the evening and between meals.

"Six ounces times 50,000,000 cats equals (putting on his eyeglasses and again consulting the paper in his hand) 18,750,000 pints,

9,375,000 quarts or 2,687,500 gallons of milk! Enough, my countrymen, to float a ship for some distance. I'll not tire you, however, with the figures as to the distance nor with the measurements of the vessel. Whether it is a coal burner or an oil burner would make no—ah—appreciable difference.

"Think of the babies, the babies in the tenements, the babies of the ultimate consumer, the babies of the man in the street who are perishing for want of the milk fed to or purloined by the cats of this republic! Half of these babies, in round numbers, are boys. These boys, fellow citizens, but for the 50,000,000 cats, would live, grow up and become heads of families. They would buy houses, furniture, food, shoes and clothing, and would produce wheat, oil, coal, iron, cotton and machinery.

"Now, friends (pulling down his cuffs and lifting his gaze to the galleries), let us analyze a little more closely the money loss to our beloved country caused by this wholly parasitical and predatory deluge of cats. . . ." And so on.

Such, then are statistics as spouted or scribbled by many statesmen, together with a fair sample of their interpretation. Anything, almost, can be done with and proved by figures if the person working with them has a goodly flow of language and a spontaneous and lively imagination. Two able experts in the field of statistics, if they are fluent, can produce from the same serried pages of honest numerals two unlike structures of argument and two series of separate and seemingly indisputable facts.

The ancient statistician gravely made his tables and set them on the sidewalk where they were bought for a pittance, and thence hauled away and studied for their truth. He was a dry old codger and often

neglected to trim his beard. He is now extinct in the corridors and purlieus of Congress. In his stead has come the economist, a natty, breezy and sophisticated gentleman, who carries his cigarettes in a silver case and uses a cane in the street.

"What is an economist?" Senator Couzens curiously asked a member of the guild.

"One who is versed in economics, or the science of political economy," was the reply, spoken word for word out of the Century Dictionary.

Accurate it was, as to Yale, Princeton, Harvard and the usual seats of learning, but not entirely so as to Congress, or the offices of Samuel Gompers, the Anti-Saloon League and other aggressive propagandists. Washington economists, as a rule, will supply any brand of figures to an inquiring customer—and an interpretation of the same.

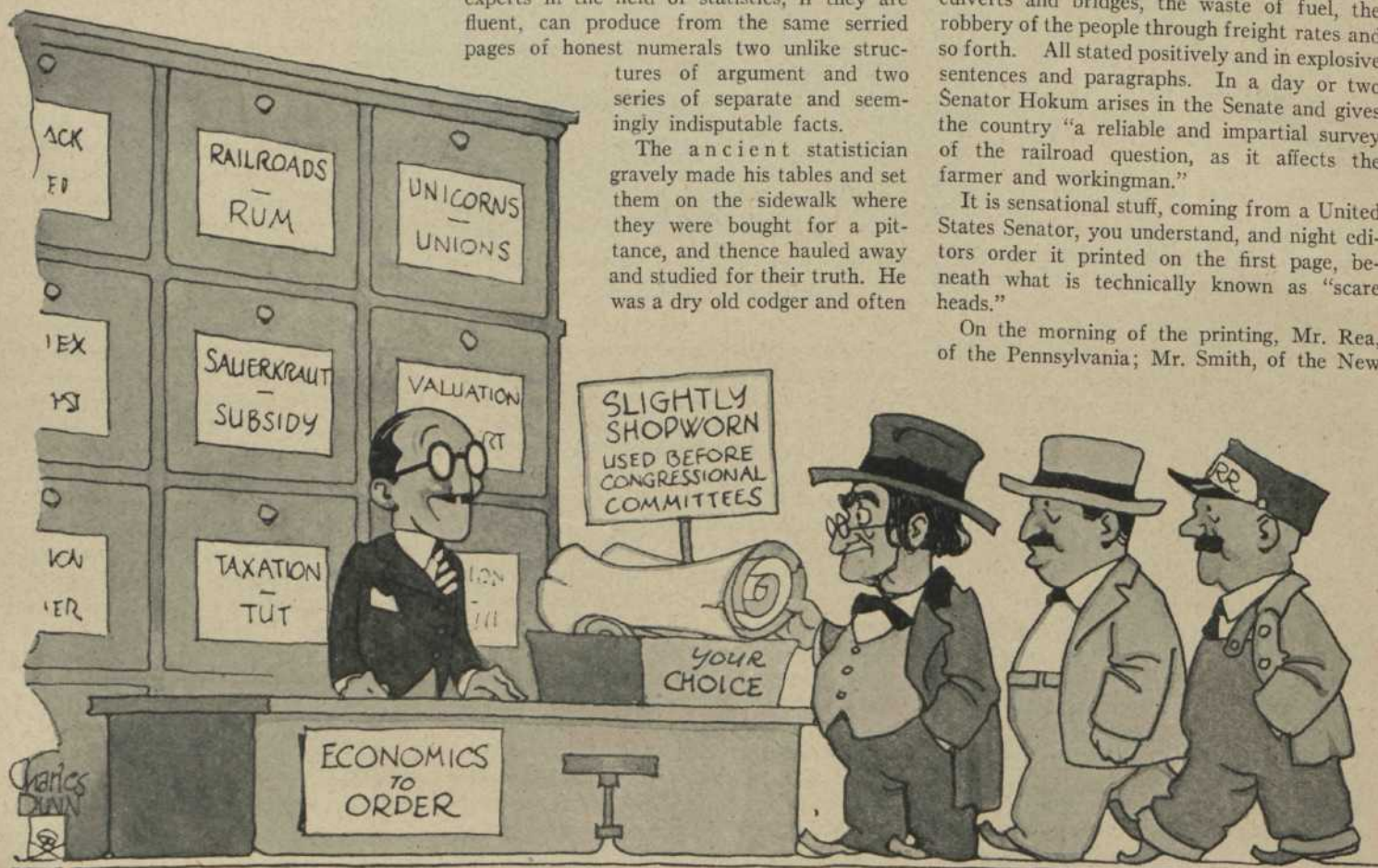
Consequently when Senator Hokum telephones to his favorite economist and says: "Get me out some hot dope on the railroad question," the favorite economist, knowing the views of Senator Hokum, promptly and violently fills the order.

The Road to the Scare-Head

HE KNOWS, the favorite economist does, the decayed status of the railroads, in general, and in particular, the broken-down condition of locomotives and cars, the ruin of culverts and bridges, the waste of fuel, the robbery of the people through freight rates and so forth. All stated positively and in explosive sentences and paragraphs. In a day or two Senator Hokum arises in the Senate and gives the country "a reliable and impartial survey of the railroad question, as it affects the farmer and workingman."

It is sensational stuff, coming from a United States Senator, you understand, and night editors order it printed on the first page, beneath what is technically known as "scare heads."

On the morning of the printing, Mr. Rea, of the Pennsylvania; Mr. Smith, of the New



York Central; Judge Lovett, of the Union Pacific; or Mr. Kruttschnitt, of the Southern Pacific, reads Senator Hokum's revelations, touches a bell and when his own special statistician appears, says, substantially: "That old liar and demagogue, Hokum, has broken loose again. You'll find his screed in the morning papers. Answer him."

In the course of the next week or so the answer is solemnly placed on the desk of Mr. Rea, Mr. Smith, Judge Lovett or Mr. Kruttschnitt, and being satisfactory, is handed to the press.

It is telegraphed far and wide and night editors, finding it overflowing with figures pertaining to ton miles, tractive effort and capacity, peak loads and train tonnage, and having forgotten all about old Hokum and his bomb, order it to the waste basket or indulgently boil it down, set it in small type and give it a grudging hole on a back page between the Chicago hog market and the quotations for cotton in Liverpool.

The Hokums are always scoring; the railroads getting goose eggs. But the railroads never lose heart or grow weary of piling up statistics against their adversaries. They are as hopeful and as persistent as was George Dyer, the writer, of whom Charles Lamb said that "he multiplies his volumes to make 'em sell better. When he finds one will not go off, he publishes two; two stick, he tries three; three hang fire, he is confident four will have a better chance."

The Taste that Lingers

NIGHT editors may have forgotten Senator Hokum's bomb, but the newspaper-reading public hasn't. Hokum's words are not remembered by the skipping and skimming proletarians, it is true, but the taste he left in their eager mouths lingers. So they say: "He's a brave and honest man, a true friend of the people, and we're thinking about him for President."

Any inquiry into the causes and processes of American opinion on bread-and-butter questions, then, must take account of the influence generated in and diffused from Washington by the professional economists and interpreters who are doing business at the

nation's capital. They are the men behind some of the loudest oratorical guns which boom from the Halls of Congress. Their pictures are never in the newspapers. Their names are seldom known.

Nevertheless, their shadows fall across hundreds of pages in the *Congressional Record* and their "style" can be recognized in the sentences and paragraphs of many senatorial outbursts against "entrenched wealth" and of senatorial pleas for justice to the pillaged workingman who is now earning anywhere from eight to fifteen dollars a day.

The New Industry—Elucidating

IT HAS become a regular industry—tabling, curving and elucidating has. The emphasis here is on elucidating. (What is home without a sound roof? Not much.) An able elucidator need not know a great deal about statistics. A little knowledge, of course, is necessary, but there are figures always at hand ready to jump through flaming hoops, play possum or stand on the tips of their tails at the word of command.

Now, figuring, curving, and elucidating are essential elements in what is known today as propagandism. Here, again, the emphasis is on elucidating. Words rank first; figures follow. Thus is sketched the evolution of the statistician into the Washington economist, or putting the case in another way, the conversion of the crude, raw material into the highly ornamental and finished product.

Statisticians began to be economists as early as 1893. Three years before, the Senate favoring free silver, and the House of Representatives opposing it, a compromise measure providing for a monthly purchase of silver bullion by the Government, passed Congress. Everybody was happy, as happy as was David Harum's solid old temperance man who, at a barn raisin', "swallowed a full tumbler of white whiskey, thinking it was water" and who felt immediately thereafter "as if he was sittin' straddle of the meetin' house an' every shingle was a Jewsharp."

But the state of mind didn't last long. A panic settled down upon the country. It was brought about, one division of politicians

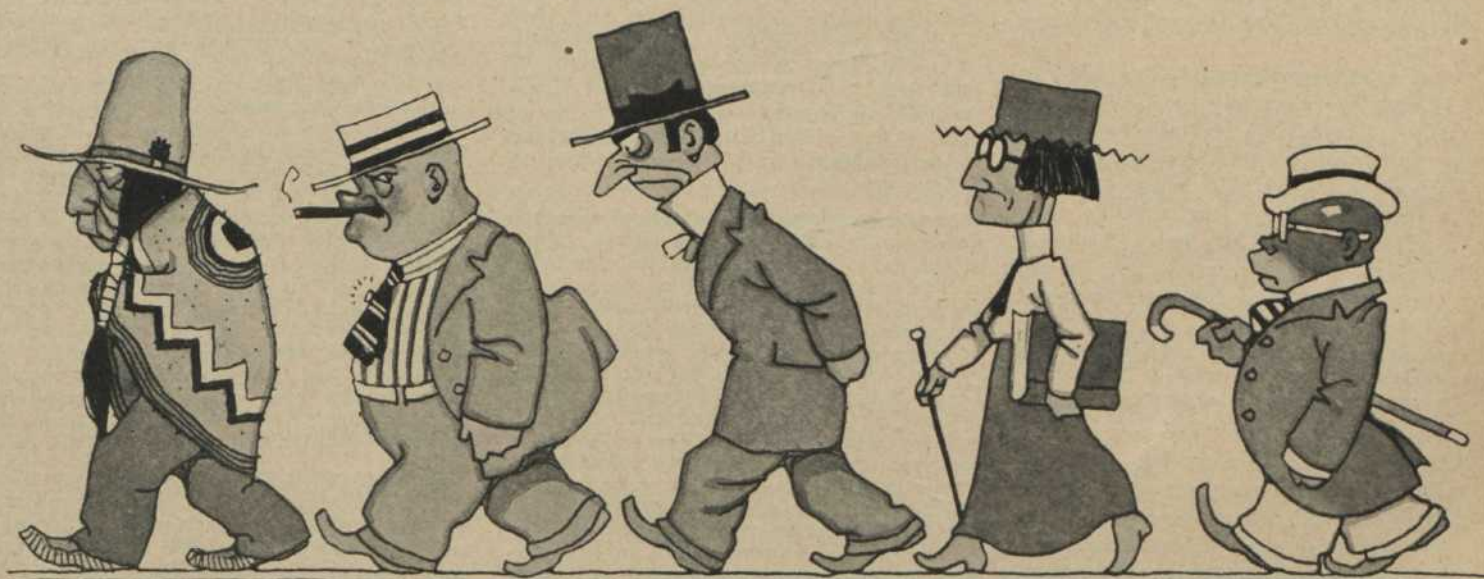
said, by a tinkering with the tariff. Another school attributed it to the silver-purchasing clause of the Sherman Act. Anyway, the panic was here; and President Cleveland called Congress to meet in special session on August 7, 1893, expressly to repeal the debated clause. From that day, August 7, until October 30, when repeal passed, old-time statisticians were gradually transmogrified into economists—that is, they became orators and picture writers as well as being dry wizards with figures and charts.

During that time, also, began the first organized and vigorously managed propaganda. By Michael D. Harter, a Democratic member of Congress from John Sherman's old district in Ohio. Harter was a banker and a manufacturer of agricultural machinery. He had energetic and talkative selling agents in all parts of the country.

These active persons he put to work with orders to engulf Congress with appeals by wire, prepaid, from the foremost business and professional men in their selling zones for the immediate repeal of the disastrous silver-purchasing law. It was a new wrinkle in legislation. The voice of the people and so on, straight from the heart and brain of the nation, was being heard a thousand times a day by Congressmen who spent most of their time signing the receipt books of a never-stopping influx and outflow of messenger boys.

Jolting Us Out of Our Grooves

WELL, propagandism, as was said, began then and there. Systematically. It has had many a big day since. And being an institution, it has its mechanism and fuel stores. It couldn't run without the latter. And that's where the economist comes in. He knows, the economist does, that the average American is a one-groove man. If he is a botanist, the average American sees nothing but the green things which grow at his feet. Always he looks down, except when he is studying a bush or giving the once-over to a tree. The average American, selling goods or making them, has those particular goods, to the exclusion of all other goods and subjects, constantly in his mind. He laughs at the



botanist, and the botanist makes fun of him.

Seemingly, the only way in which to get the average American out of his groove, transiently, is incessantly to fill his eyes with dodgers, bill-boards, newspapers, speeches, protests, appeals, inquiries, statements, alarms, warnings and prophecies, and his ears with noise, the bigger the better.

The economist, therefore, fits into the present scheme of things. Splendidly. Effectively. He is a hard-working part of civilization, as it flourishes in this country at present. Statesmanship in Washington would be rather tame without him. He is the breath of life to the Brookharts, a fountain of nourishment to the La Follettes and the fructifying sunlight to the Cappers. Nor does he scorn to administer expert aid to leaders of labor, railroad presidents, Wall Street financiers, suffering and honest agriculturists or promiscuous reformers, provided they have the price.

"Calls answered night or day," might well be painted on his office door, and printed after his name in the telephone book. His equipment includes even an ambulance, which assertion, of course, is only a figure of speech.

Now Meet Mr. W. Jett Lauck

ALWAYS, nearly, when the coal miners, the locomotive engineers, the locomotive firemen, the train conductors or the brakemen are heard by a committee of Congress, they bring along their lawyers—and W. Jett Lauck, professional economist and notable example of this new type.

He appears, from the printed word, to be a large and combative person, with a heavy voice and a drooping mustache. Whereas he is nothing of the kind. No milder-mannered man ever attempted to evaporate the water out of a railroad or figure on what really constitutes a living wage. He is slim, well-dressed and interesting; a good conversationalist, it almost goes without mentioning; a skillful writer of articles, books and speeches; a trained and clever interpreter; and, furthermore, he is alluringly, perhaps dangerously, conciliatory except when diligently at work on a case. His hair is black as night, and his brown eyes are wide apart. Some of his ancestors helped General Washington win the Revolutionary War—a noble "background," as any imitative writer would say.

Being a high representative of a type, W. Jett Lauck is, industrially, politically, intellectually, ethnologically and psychologically, worth more than a bare notice on the part of Capital, if Capital will indulge the foregoing goose parade of long adverbs. And study their meaning. Mr. Lauck confesses, with neither shame nor regret, that he was once a "conservative." Nor does he admit that he is now a radical.

Born and reared in West Virginia, in the congressional district of William L. Wilson, writer of the tariff law, which was reviled but signed by President Cleveland, he, Mr. Lauck, purposed to be a lawyer, always to vote for William L. Wilson, who was a friend of his father, and always steadily to walk in the middle of the old-time economic highway. Soundly educated at Washington

and Lee and at the University of Chicago, he turned political economist and became a professor.

Then, for the National Government he made a tour of all the industrial centers which lay between New England and the Rocky Mountains so as to learn, for the guidance of Congress, the latest phases of the immigration question.

He saw some degrading sights—aliens, men, women and children, eating, sleeping and living together in but one room—much poverty, uncleanness and ignorance and no little tyranny. He ceased, he says, to be a "conservative." What he saw, he now avers, with the license of free-spoken man, "would have made bolshevists of George Washington and Thomas Jefferson."

Well, briefly, that is the history, intellectually, of a staidly-thinking young college professor who was transformed into an industrial revolutionist. He set up in Washington as an economist. His first client was William S. Carter, chief of the Brotherhood of Locomotive Firemen, who left school and went to tending cattle out in Texas, when he was nine years old. Carter had \$300 to spend on statistics, which were to be used in a hearing before Congress. They, Carter and Lauck, spent \$17,000 before they got through.

Mr. Lauck says that bankers were responsible for the wreck of the railroads. They sold bonds years ago, based on the earnings and prospective earnings of the large and small transportation lines, and now refuse to sell any more until the railroads have spent hundreds of millions, which they cannot get,

for extensions, equipment and terminals. Coal mines, he thinks, should be owned by the National Government. He is attempting to establish what he calls an industrial bill of rights.

"We should work out," he says, "a series of principles which will set forth the fundamental rights and standards of employes and employers in their relation with each other and the public, and agree upon agencies for the interpretation and administration of these principles, so that industrial warfare may be prevented and stability of production maintained."

As to another matter he says: "All American industry, by the elimination of waste and the application of scientific management, can afford to pay a living wage. I make the statement deliberately. The living wage is not merely a question of economics. It involves a serious moral principle."

"Men and commodities are the real strength of any community," wrote David Hume, the philosopher and historian. Amid the confusion of voices and the collision of interests, are men with hands and skill giving due regard to commodities, and are commodities, personalizing them into capitalists, giving due regard to men?

What does the figuring, the interpreting and the speech-making mean? Are they parts of an inveterate war which posterity will call barbaric cruelty and obstinate stupidity? Just now, perhaps, most persons will say that all are gestures (to use another new-fashioned and much-admired word) toward the getting of bread and meat, senatorships, governorships, and so forth.

Stale Bread and Stale Reading Matter

The Problem of the Publisher and the Baker

WHY IS a publisher like a baker? The answer is not, as the early joke books had it, "because he kneads the dough." The answer is that both industries have the same problem, that of returns. The Food Research Institute of Stanford University has been investigating stale bread loss "running into millions of dollars a year."

Some states prohibit the return from dealer to baker of unsold loaves, and there the baker moves serene. In the other states he is confronted by the question whether to take back stale bread, which is sold as animal feed or burned, or to adopt a "no return" policy. Here his problem is like that of the publisher, and the institute in a recent bulletin says:

In this connection the experience of newspaper and magazine publishers is of interest. Many of the same conditions govern the distribution of bread and periodicals. Both are more or less perishable. The sale of both must be timed to meet consumers' needs, and any production in excess of current demand results in unsold products and a net loss. In both cases consumers' demands are extremely variable; in both the state of the weather plays a most important part in determining the volume of sales. In both the attitude of the retail distributor is frequently decisive in expanding or limiting sales opportunities. The newspaper circulation manager, no less than the bakery sales manager, must face the problem whether or not to accept returns of unsold goods from retail distributors.

The forces of competition operate in the same way.

Newspaper men have found the returns question a perennial problem just as bakers have. Like the bakers, they welcomed the action of the War Industries Board during the war in ordering the discontinuance of the practice of accepting returns, as a conservation measure. Since the war a considerable number of them have drifted back to the return privilege policy, just as many bakers have done, but a large number of progressive publishers have put their papers on a non-returnable basis and are successfully maintaining that position.

It is possible that an individual newspaper publisher, on the average more easily than an individual baker, can adopt a policy of no returns without suffering a loss in net sales. A newspaper usually has a more distinct individuality than a loaf of bread, and its readers are usually more insistent upon having it than are the regular consumers of any particular brand of bread. If the quality of the product is stressed, and if production is carefully adjusted to demand, as far as may be, it appears quite feasible for an individual newspaper to adopt with complete safety a policy of no returns. On the other hand, newspaper publishers, unlike bakers, cannot adopt measures for prolonging the freshness of their product, although magazine publishers do so to some extent.

We have never known how long THE NATION'S BUSINESS kept fresh, though we are sometimes asked for permission to reprint articles we first published two and three years ago.

The Road We Have Come

The American Political Philosophy In Its Economic and Social Aspects

By JULIUS H. BARNES

A NATION that in three hundred years of national history has created the vast aggregate of three hundred billion of national wealth, possesses vast potentiality of human service. When we find its nearest rival, the British Empire, with two thousand years of creative opportunity and with its present possessions circling the globe, attaining an aggregate wealth of only one hundred and seventy billion, the imagination is challenged, indeed, to a search for the reason of America's miracle development.

We must recognize the favor of Nature in great natural resources, but so also, other countries have coal, and iron, and oil, and timber, and vast fertile fields, yet have not translated this natural wealth into human service and possession as has America. We owe something to fortunate geographical position, with its freedom from the burdens of military defense and the shock of recurrent war alarms. We owe more, perhaps, to the readiness of adaptability peculiar to a newly founded commonwealth, free from age-old habits and customs difficult to alter.

But when we have weighed all these factors, we realize that there has been a potent stimulant beyond all these; a stimulant inherent in the political philosophy of America.

This philosophy recognizes national progress and national attainment only as the sum of individual effort and accomplishment. This philosophy holds the prime function of constituted authority to be that of preserving fair play and equal opportunity for every individual. This philosophy guarantees individual security in the enjoyment of rewards, secured through the natural processes of service to society. This philosophy, in providing thus the field of fair opportunity and security in reward, stimulates the individual to create his own niche in the social structure, by his own character and ability and devoted effort.

Under such a political philosophy the whole structure of society remains fluid; there is little tendency to harden into social strata which encase the individual and stifle individual effort.

Influenced by this political philosophy, running parallel with it, and justified by its accomplishment under test, runs the American industrial ideal by which a premium is put on human effort, through the enlargement of production, by mechanical aids. The typical American industrial theory of mass production, justified by industry itself only on the claim of economy of operation, has nevertheless proved, in its history, to be a most potent social service in advancing living standards.

This premium which America places on man-power, as against the social and industrial methods of the Old World, is shown most strikingly in agriculture. America's

cereal yield annually is 12 tons, per worker, as against 1½ tons per worker for the rest of the world.

It may be accurately calculated that the wheat crop of America today requires the equivalent of seven million working days, while if that crop were produced today on the methods used before the invention of the harvester and its succeeding devices, it would require one hundred and thirty million total working days. This reduction in three generations, of human effort devoted to a single crop, releasing one hundred and twenty-three

"THE value to living standards of Edison and the electric lamp cannot be gauged by lesser intellects, but only by the free expression of society, which evidences its appreciation by actual purchase and use. America clearly begrudges no reward for superior service to society, through invention, or production, or organization, or distribution, so long as it be clearly a reward obtained in free competition and bestowed because society has rated such service as better than competitor has been able to perform."

million working days to other production, typifies the constant progress of American industry. There are countries in the world, competitors with America in the production of cereals for sale in Europe's import markets, still producing their cereals with the hand methods of three generations ago.

This particular phase of agricultural production helps to explain why the streets of America's western towns are lined with automobiles, while peasant labor still ekes out a bare existence in Argentina, and India, and Russia.

A generation ago, a single horse, with a single plow, guided by a single man, plowed a single acre in a single day. Today, the American tractor, with a single man, will plow 8 to 10 acres in a single day.

A generation ago an industrious farmer could plant by hand 2 acres of corn each day. Today the check-rower, guided by the same single worker, will seed 18 to 20 acres day by day.

Mechanical aids and their service to the farm, in twenty years, have helped advance the farm values of this country from twenty billion to seventy-eight billion dollars.

This same peculiarly American philosophy runs through all the processes of industry. Typical instances may be cited thus:

In thirty years, the production of pig iron per worker has risen from 267 tons annually to 709 tons, or almost three-fold.

Iron and steel have become the great frame-

work for all modern industry, and the significance which follows this constant increasing output, per worker enlisted, can hardly be overrated, in its industrial service.

In window glass, less than twenty years ago a single invention, almost within the space of a single year, increased the output, per worker, from 55 square feet per hour to over 3,000 feet per hour. Here is a striking demonstration of the great expansion of output which the same number of workers could supply to the constantly enlarging building program of this growing country.

The daily papers, although the number of pages and their size is constantly on the increase, show in ten years an increase in circulation, per employe, from 1,500 to 1,800 per day. In this economy rests the explanation of the continued two-cent paper, with its constant enlargement of service and wider range of contents.

In bituminous coal, in thirty years the production per day, per worker, has risen from 2½ tons to over 4 tons. Here rests a reason why this industry has expanded in one hundred years from 50,000 tons, which was the total annual production of 1820 to 600 million tons which was the production of 1920. The imagination is staggered, indeed, to comprehend what 600 million tons annual increase means in the service of other industry and the production of articles of common use.

In silk manufacture, in twenty years the pounds of raw silk used, per employe, have risen from 118 to 204. In this economy rests the explanation of the fact that silk, in gown and hose, has become the almost universal possession of American women.

In gasoline production, in twenty years the annual output, per employe, has risen from 23,000 gallons to 71,000 gallons. Here is a vast economy in the production of motive power, serving that great agency of pleasure and great agency of earnings—the automobile.

Four Cars a Year Per Man

I N automobile manufacturing, in the short space of ten years, the annual output, per worker, has risen from one and one-half cars to over four. What this has meant to America in earning power, and in social enjoyment, is beyond human ability to tabulate. What it has meant to economy of production, and thus in enlarging the circle of users, is stated most graphically in the fact that one single manufacturer in the United States produces in four months more cars than have accumulated in twenty years in our nearest rival, Great Britain.

These instances of enlargement of product, per worker, are sufficient to show how maintained and increased production requires relatively fewer workers assigned to that production. Our industrial history makes it



A generation ago a single horse, with a single plow, guided by a single man, plowed a single acre in a single day. Today the American tractor with a single man will plow eight to ten acres in a day.

manifest that the workers thus released through the substitution of mechanical devices and labor-saving aids are not consigned to unemployment, with the social injury of idleness and lack of earnings and savings, but are released instead to the constantly expanding old and new industries, and thus are constantly swelling the production stream of articles of common use.

It is manifest that the standard of living can only be advanced and maintained by the creation of more and more articles for division among American homes.

It is manifest that this increasing volume must press into more and more homes, facilitated by the economics of costs which mass production itself secures, and aided in its distribution by more widely distributed buying-power which enlarged competition for workers itself assures.

It is, however, necessary and proper that, with this demonstration of vast increase in material wealth, we should make sure that such wealth is fairly and equitably distributed, not by law and edict, with all the inequalities and injustices which follow such application of human judgment in authority, but that it be fairly and equitably distributed by the social system and the natural processes of trade in which individual superiority obtains its reward by the attraction of superior service.

It is reassuring in this respect to trace the increase in capital savings of this country. It is reassuring to realize that within the last



© Robert H. Moulton

ten years savings accounts have increased from six billion to fourteen billion dollars in this country. It is reassuring that our national bank deposits in the same ten years have increased from six billion to seventeen billion dollars.

But we have, besides these evidences of liquid wealth, a ready method of testing the distribution of wealth by measuring the distribution of buying power in this country. For instance, we use this simple table:

In the twenty years between the census dates of 1900 and 1920, these comparisons occurred:

Our population increased 40 per cent.

The volume of food production increased 38 per cent with the assurance of adequate home supplies which that suggests.

The volume of mine production increased 128 per cent, showing that in metals and iron

there was adequate assurance for the necessary supplies of manufacturing industry.

And in the same twenty years the volume of factory output rose 95 per cent, or almost doubled.

If you extend the increasing annual output rising between 1900 and 1920 to almost double, you arrive at a rough calculation that the factory output of articles of common use had in that twenty years mounted to 1,000 per cent above the continued level of 1900 on which it started. If one proceeds to eliminate from this vast addition those articles which may have been currently consumed, such as food and clothing, there is such a residue plainly left as to lead to the unavoidable conviction that in 1920 the average home of America possessed three times the articles of common use which the average home of 1900 possessed. You may test this roughly

in your own observation by recalling how recently have come into general use bathrooms and plumbing, telephones and phonographs, electrical devices, automobiles, and a thousand other things.

Moreover, the very fact that such an enormous swelling increase of factory products could be made and could be marketed in America is the most conclusive evidence that buying power was widely distributed in the hands of innumerable buyers. Such an increase of factory production would not have been possible of sale were wealth concentrated in the hands of a wealthy few.

But when thus we have demonstrated that, in America, we have made the world's most astounding increase in national wealth and have established the world's most advanced standard of living, there still remains the test as to whether we have lost anything of the inspirational value of the early ideals of this republic. High ideals do not lend themselves to ready appraisal of their own value. They are not qualities which readily subject themselves to statistical record. They do manifest themselves, however, by certain evidences which indisputably base themselves on high ideals and righteous impulse.

In the educational world, for example, the increase of average attendance of school age from 10,700,000 in 1900 to 16,200,000 in 1920 is assurance that there is no slackening in the desire for intellectual training of our children.

Moreover, in the same twenty years, the percentage of children in high schools increased from 3 to 10 per cent, and the total registration in public high schools increased by 325 per cent.

In college and university registration there was an increase of 190 per cent, and in the value of public school property an increase in the same twenty years of 340 per cent.

Here, then, in the record of the development of educational opportunity and the appreciation of that opportunity, is no story

of any slackening of educational aspiration such as materialism alone would inevitably produce.

If in other fields than education we measure the average of American social ideals, we find the same encouragement. The total gifts and legacies recorded in support of philanthropies, in aid of the sick, the aged and the orphaned, in scientific research to lighten human suffering, show little evidence of individual and national selfishness.

The ethics of the business world and the standards of political morality are distinctly higher than those of a generation ago.

If, then, without narrow provincialism or national self-conceit, one is led to the conclusion that America has established a world leadership in material progress, in living standards, and an advance as well in those indefinable qualities that denote character, one must soberly examine the characteristics of our political philosophy under which this progress has been made.

The Philosophy of Fair Play

IF ONE should attempt to define the American social and political philosophy in a phrase, it might be described as the Philosophy of Fair Play. America clearly rebels against the Old World concept that human authority may properly rate in dollars and safety restrict in reward the value of such imponderable qualities as human genius. That this manifests the public temper is shown by the fact that there is today no public resentment at the recent statement that a single individual in America in twenty years has acquired a personal fortune of six hundred million dollars selling an article of universal appeal to five million users. America clearly recognizes that it is a violation of fair play when combinations of superior wealth and power are made as against the public.

It is therefore in the very preservation of the national philosophy of fair play that the theory of government regulation has been

evolved. In Europe there was no half-way station between private ownership and ownership by the state of public utilities. Closing their eyes to the manifest disability which must follow the state as an employer of individuals whose votes do, of themselves, affect the state, there has been a long period of government experimentation which has clearly demonstrated the failure of this method. It is of striking significance to students of political philosophy, and of striking encouragement to the American individualism philosophy instead, that in Europe, based on actual experience, is developing a general repudiation of the theory of state socialism.

In the Old World and in America the frontier of relations between government and industry will be a shifting one subject to relocation by the process of trial and error. In the determination of the line of just and wise demarcation these social experiments in Europe have great value for the guidance of the judgment of the world. So, also, of even greater value is the demonstration of service and accomplishment in America, which sturdily resisted the influence of Old World experimentation and never really departed from its traditional adherence to American individualism.

It is plainly apparent that in political philosophy and in the relation of government to industry and to its individual citizens America will have something of great value to contribute, even as it has done in the processes of industry and in the demonstration of the social and human service of these typically American theories. This American philosophy of fair play seems a philosophy of so much sturdier growth, so much more of common fairness, so much more of inspirational value, than the soft and easy philosophy of the care of the state for the individual! It is in no sense reactionary or conservative, because its very essence is the liberalism which refuses favor and scorns advantage, asking only the equality of opportunity.

Why Scold the Law Makers?

WASHINGTON, D. C.,
July 5, 1923.

DEAR ED: Why feel so bad about Congress? Just because I told you not to be in a hurry to sign any old petition that's shoved on your desk, you don't need to rise up and tell me that Congress doesn't amount to anything anyway.

Of course, I know that there are no game laws on abusing Congress. It's always the open season. More than that, I'll admit that there are one or two statesmen who never heard of any Einstein except one that sells "Peerless Pants" on Pennsylvania Avenue. But then I know a couple of business men that are a little hazy on Relativity.

But when you describe our national law-makers as a "bunch of handshaking windbags who couldn't do a day's work," you're going strong, awful strong. As the whiskered father used to say in the b' gosh drama, "Them's harsh words, Nell!"

And besides, where do you come in, to call

Being a letter from Washington to Edward H. Skinner, of the Skinner Machine Tool Company, Kensington, Indiana

some one else a "handshaker?" When a customer comes into your factory, you rush into your office, slam the door and send out word that if he wants to buy anything, why let him. Do you not? The answer is *not*.

I've seen you in action. You grab his hand as if you were afraid he'd slip out (and maybe you are), and start a barrage of cigars and friendly language at him until he can't see. Your only regret is that you can't remember his wife's maiden name and how many children he has.

And have I ever seen you stopping old man Burke to tell him how well he looks? And you know the only thing you really want

of him is a chance to go to his funeral wearing a red necktie and leading a band. But then he owns the Kensington Loan & Trust; and even if you do borrow your money from the First National, you never can tell.

And, incidentally, Ed, if ever I start a town, I'm not going to have any First National. I'm going to start right off with the Fourth National Bank and the Fifth Presbyterian Church. Then folks'll think we're older, richer and more respectable than we are.

Oh, there's just as much handshaking in business as there is in politics, I suspect. And what's more, when you sail into Washington to have the tariff remade for the benefit of the tool industry, particularly the tool industry in Kensington, Indiana, I notice that you seem to expect old man Hinkle to quit work and do a little handshaking with you; and you'd be sore if he didn't. And if I remember the figures, you were only one of about 110,000 who voted for that statesman.

A Way Out for Our Merchant Marine

By **JAMES A. FARRELL**

Chairman, National Foreign Trade Council
President, United States Steel Corporation

THE OUTSTANDING fact in the shipping situation of the world is the rapid recovery of the German merchant fleet. When the war opened, Germany held second rank in the shipping world, yielding precedence only to Great Britain. When the war ended, Germany had practically disappeared from the list of ocean traders. Her fleet was reduced to about 400,000 tons, largely composed of vessels that represented a minimum of worth in the deep-sea commerce.

But Germany has been climbing steadily back up the list until today she is probably in fifth place, practically assured that continuation of her present course will bring her into third rank within a comparatively short time.

Within two years after the war Germany had increased the 400,000 tons left her by the Treaty of Versailles to more than 700,000 tons, a gain of 75 per cent, and had her program of maritime recovery well under way. She was then eleventh, instead of fifteenth, in the list.

The German Government, ostensibly in recognition of the increased inflation, added 18,000,000,000 marks to the 11,000,000,000 which it had originally paid the owners of the ships surrendered to other nations under the Peace Treaty. Ships that had been high on the list of the German fleet came back by cheap purchase under the German flag. Meantime the German shipyards hummed with industry, and vessels ranging from 10,000 to 35,000 tons were turned out to help put Germany back into the passenger-carrying trade. Since 1918 Germany has built about 1,500,000 tons of new ships. Her percentage of world construction was 2.1 in 1919, double that the next year, 12.3 in 1921, and 20.6 in 1922. She had second place as a ship-builder last year, Great Britain leading. German tonnage under construction on January 1 last was over 416,000 tons.

According to the report of a special investigation conducted for the International Chamber of Commerce by Professor Bremond of the University of Paris, Germany's merchant fleet now exceeds 2,500,000 tons, and will grow another half million tons during the remainder of this year.

This is a remarkable situation. While the Government of the United States, the Shipping Board, Congress and American shipping interests generally are in the doldrums of conflicting plans, suggestions and ideas as to what to do with the American fleet, wondering for the most part, apparently, how to get rid of it and even discussing sinking or scrapping a considerable number of the ves-

sels that only a short time ago the whole allied world was clamoring for in agonized suspense. Germany marches serenely and rapidly ahead toward complete recovery of her pre-war maritime status.

It is less than five years since all the governments and peoples who were fighting Germany were sending their fervent and unceasing appeal to this country to build ships. "Ships, more ships, and then more ships" was the constant demand to which the United States made a response not exceeded by any nation at any stage of the war.

Then came the armistice, and in the twinkling of an eye these American ships, that had been hailed as the salvation of the war-stricken world, were become a menace to the shipping and trade of the great maritime nations whom they had been helping to preserve.

Nine Million Tons of Uncertainty

TO CONSIDER the future of our merchant marine requires deliberation of the largest element involved—that is, the huge fleet of government-owned ships and the disposition or use to be made of them. The record shows that on the 15th of March last, the Shipping Board fleet consisted of 1,385 steel steamers of 9,274,931 tons dead-weight.

When the construction program of the Shipping Board was nearing completion, the Congress foresaw the necessity of providing for a definite policy to govern the handling of its maritime fleet. After inquiry and research, it enacted the Merchant Marine Act, 1920. A casual perusal of this legislation will show that it is a definite policy of the Congress. It requires in no uncertain terms the liquidation of the Shipping Board fleet into the hands of private owners. Its preamble consists of such a declaration of policy and the Act itself is replete with reference to such a policy. It contains ample authority permitting the Shipping Board to adopt the broadest course necessary; it contains many provisions calculated to make such a course feasible and easy of accomplishment; and if because of the difficulty of foreseeing every obstacle it fails to make specific provision for every such obstacle, it contains latitude enough to permit the board to assume a rational attitude in such cases.

Its principal limitation rests in the caution that the board in the process of liquidation,



© National Photo
From the deck of America's champion liner—Former Chairman Lasker of the Shipping Board, caught in a contemplative moment aboard the *Leviathan*.

do nothing which a prudent solvent business concern would not do, which liquidates a commodity carefully rather than by forced sale. Certainly this is a notice from Congress that it expects the board to act as a prudent solvent business man in the disposition of property. Because the ship subsidy failed to pass Congress is no reason why two-thirds of the Shipping Board fleet should be dumped on the market and practically given away at scrap prices when a market can be found over the next few years in this country and abroad.

The Marine Act became a law in June, 1920. From June, 1921, until the spring of 1922 few sales were made, although the companies which had bought vessels from the board during the post-war boom were allowed to buy in the securities for their deferred payments at a reduction of their face value, the owners thereby writing their ships down to a more rational valuation.

In the spring of 1922 the board announced that it would consider the sale of any of its steel cargo ships suitable for overseas trade, constituting the bulk of the fleet, at a price of \$30 per dead-weight ton. No scale of prices was fixed, based on the relative value of the hundreds of different vessels as provided in the Merchant Marine Act, many of them built by some of the oldest and best shipyards in the country, whose craft were admittedly superior to the ordinary cargo vessel turned out in other countries.

Two Birthdays in a Pigeon-hole

FOLLOWING this announcement, the board requested direct subsidy aid from Congress, declaring that its researches established without doubt that no sales of ships could be hoped for except with such aid. The non-owning operators holding no-risk operating contracts would not purchase the ships under their control. While the American coast-wise trade absorbed a considerable volume of tonnage, because such routes are free from foreign competition, few ships were purchased for overseas operation, and no effort was made to float security issues to finance such purchases. Thus, the Merchant

Marine Act reached a stage which certainly had never before occurred with legislation of such far-reaching importance. It passed its second birthday, virtually pigeon-holed since its adoption.

A committee of the board was named to go into the matter of a future policy, and to consult with the private shipowners and other interests which would be affected by it.

The next step is to proceed with a consideration of what can be done for the future. It is thought that a demonstration can be made of the possibility and practicability of effectuating the spirit and letter of the Merchant Marine Act, through the observance of its caution to proceed as would a prudent solvent business concern, and through the operation of its provisions designed to furnish assistance to American shipping.

It can be assumed in the United States, at least, that American ships are entitled to a share of our overseas commerce. The Shipping Board has now in operation in certain trade routes vessels which carry nearly the

from a surplus of modern ships, but from a lack of cooperation on the part of all owners, foreign and domestic, to stabilize a business in which all are suffering. I am confident our foreign rivals would recognize the desirability of cooperation by all maritime countries in disposing of obsolete tonnage and deciding on the amount of tonnage to be used in the market, so as to balance the supply of ships with the demand, thereby stabilizing rates to the advantage of the operators but even more to the traders of the world.

There is an opportunity for a trading relation. The board admittedly has many more ships than it hopes or needs to sell to Americans. Retain sufficient for our needs, and sell to foreigners the surplus. Internationally there can be built a basis for the sale of the board's ships at the world's market price in a manner which will give to the American ship owners a paying basis on the volume of trade they seek. The board could say to the American company in a given trade route:

Cooperate with the foreign lines now compet-

ing with you; furnish one-half of the tonnage required to move the freight over a particular route, each to act as loading and discharging agent for the other; each plan which ships of the two companies will operate on an alternate schedule, and thus will receive an equal portion of the business moving in both directions. In brief, replace unbusiness-like competition with sound cooperative operations, which will substitute profits for losses, and will demonstrate to the American investor the advantage of owning shares in American ships, particularly at the low market prices prevailing today. The Shipping Board to sell to the American company the ships required for its share, and to sell to the foreign company such ships as may be required for its share, the price of the ships to be the same to both American and foreign companies.

The foreign line would receive the advantage of replacing obsolete ships with modern ships at a fair price; they would know within reason the elements with which they and their American partner would have to contend; they would know that they would no longer have to match their reserves against those of the United States Treasury, and, best of all, the available ships would be leveled down to the number the world trade requires, through scrapping such of the Shipping Board fleet as is obsolete and the scrapping of such foreign tonnage as is in a similar condition.

The proposal of the United States Shipping Board to consolidate various services heretofore maintained by its ships, with a view to bringing them to highest efficiency for the development of foreign trade and the profitable operation of the ships, is in accordance with the spirit of the Merchant Marine Act, which looks always to the development of our merchant marine under private ownership and operation. Where services have been developed sufficiently to give reasonable assurance that purchasers of the government vessels now employed in those services would be able to continue their operation without losses, the sale of the ships should be effected, in accordance with the intent of the law.

It would seem that some of the services now operated under agency agreements might be taken over by those agencies and privately operated, particularly in some of the nearby trades, where the cost of operation of foreign vessels is approximately the same as that of American steamers, because the shorter voyages, crews' wages, supplies, dry docking and repairs are practically the same for both.

The clear purpose of the Act of 1920 was to develop our fleet under private ownership and operation. Already considerable progress has been made. Private American ship owners owned, on April 1 last, a total of 5,962,133 tons, gross register, of ocean-going shipping. This is exclusive of 2,723,857 gross tons employed on the Great Lakes. On that same date the

Below, the launching of the *Grossherzog Friedrich August*, a school-ship for training seamen for Germany's merchant marine. While Germany's shipyards are humming with industry as she rapidly climbs towards third place in the shipping world, Hog Island (above) which Lord Northcliffe once called "the industrial wonder of the world" is a dreary desert of idle derricks strewn with disordered piles of rusting steel and rotting timber.

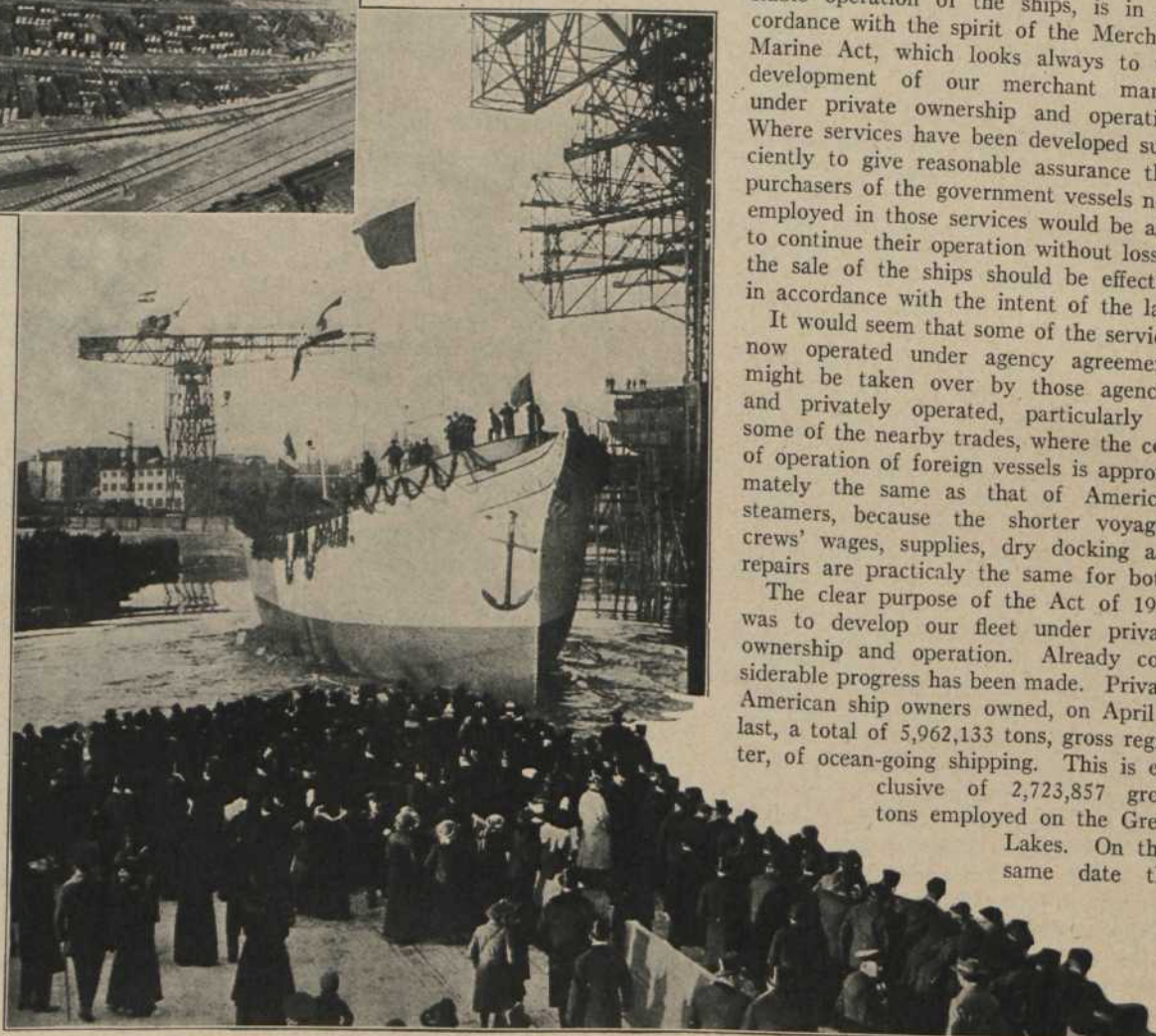


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volume of 50 per cent desired. It is doing so at a yearly loss of about \$50,000,000 or more clearly, about one-half the value of the cargo ships operating, pricing them at the board's figure of \$30 a ton.

It is suggested that private American companies take over these routes and guarantee to operate them intact for a number of years, with the idea that a reduction of sales price in the ships so purchased will be an inducement. No consideration is given apparently to the position of private fleets, owned by solvent American shipowners who would be in competition with a policy which might force them to operate at a loss while the experiment was being carried out.

It should be obvious that the losses of operation of American ships come not



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Shipping Board owned 7,169,717 tons, gross register, of which probably one-third is fit only to be scrapped.

It is recognized, however, that there are some services of importance to the national interests and the proper growth of our trade which cannot yet be taken over by private capital without undue risk. In such cases we should not relinquish our share of the carrying trade, but these services should be continued under the present system of operation until they develop to the point where they can be maintained under private ownership.

The suggestion recently made that the Shipping Board should engage in the direct operation of its vessels is contrary to the spirit and purpose of the Act of 1920 and fraught with danger to the merchant marine. Any Government organization put together for that purpose would necessarily discard much of the skill and experience built up by the present operators. It would sacrifice efficiency, increase operating costs and losses,

expand, instead of decrease, the unbusiness-like competition of Government ships with privately owned vessels, and postpone the possibility of ultimately developing a privately owned fleet.

In its declaration of policy and in its main provisions the Act of 1920 clearly points the way. It would seem to be good judgment and sound policy to make every effort to put these provisions into effect and give to American owners the opportunity to show that American skill, experience and resourcefulness can do in the operating of ships what they have done in other lines of competition with foreign nations.

One thing more there must be. The greatest subsidy our ships could have in the overseas trade would be the support of the American people. The greatest hardship under which they are laboring at present is the lack of such support. We shall not have a successful American merchant marine unless its ships are more largely used by American shippers.

That does not mean that American export

should be confined entirely to American vessels. Such a proposition is impractical, since shipping is an international problem and we require inward as well as outward cargoes. It does mean that Americans should always have a "favoring spirit" toward the use of their own vessels on equal consideration. Other nations have developed this spirit of cooperation in a high degree, and much of their success is attributable thereto.

Our Government should establish friendly relations with foreign shipping, in order to enable our ship-owners to share in inward cargoes which are necessary if our merchant marine is to have that measure of success which will make it permanent. If those who control inward cargoes for their respective countries and colonies are expected to lift our ballast losses homeward to a paying basis, they must in turn receive consideration at our hands.

Let us have cooperation at home. Let us have friendly relations with international shipping. That way lies the course to a successful American merchant marine.

At Sea Under the American Flag

By WILLIAM T. ELLIS

THERE is something new happening on the sea. This something is a revolution in the nature of the accommodations provided for travelers. It is analogous to the change wrought in the hotels of the big cities of Europe by the American style of hotel-keeping.

At sea, the voyager who at home is accustomed to comfort has habitually crept into a shelf-bed—upper or lower berth—in a narrow cabin in which he could not swing a cat; and he has been content with a pitcher and basin for washing facilities. As for a daily bath, he took his turn, at an assigned hour often inconvenient, in the common bath tub, somewhere down the passageway. Thus it has ever been; thus, apparently, it would continue to be. Big ships added spacious social halls and music rooms and libraries, and even playrooms and gymnasiums; but the essential equipment of the "stateroom," as the stuffy little cabin is called wherein the passenger spends most of his time, often under the distressful conditions of seasickness, has undergone no substantial alteration in arrangement or equipment.

Almost without announcement, the American Shipping Board has wrought a radical change in all this by the altered character of its new "President" liners, wherein every first-class cabin is of such size that it has real beds instead of berths, and a private bath as well. Other incidentals, of individual heaters and ventilators, chiffoniers, wardrobes, tables and comfortable chairs, instead of stools, complete the transformation of the passengers' quarters.

Does this sound like a steamship agent's advertisement? To me it is a surprising and delightful reality. I have just completed the

passage from New York to Cherbourg, aboard the *President Roosevelt*, and the experience has been fairly sensational. It stands out by itself in a long line of ocean voyages on many seas. I have suddenly come to a realization that a first-class passenger is entitled to these comforts; and that, inevitably, the whole world's steamships will have to provide them. Already, the ship's officers tell me, the United States line's boats are getting more than their proportionate share of the passenger traffic of the world, and a large and increasing amount of the freight.

Force is added to the impact of this recent experience by the familiar argument that Americans cannot run ships successfully, and that we should leave ocean traffic to nations more skilled in this business. Yet here the government-built boats are establishing a new standard that is filling rival lines with consternation. Not only are the rooms of both first and third-class passengers unprecedentedly spacious and comfortable, but the food is also the best to be found on the seven seas. Frankly, I think it is too good, or, rather, too lavish. There is no need for such elaborate menus. The best hotels in the world do not find it necessary to provide so great an abundance and variety.

Any Excuse for a Party

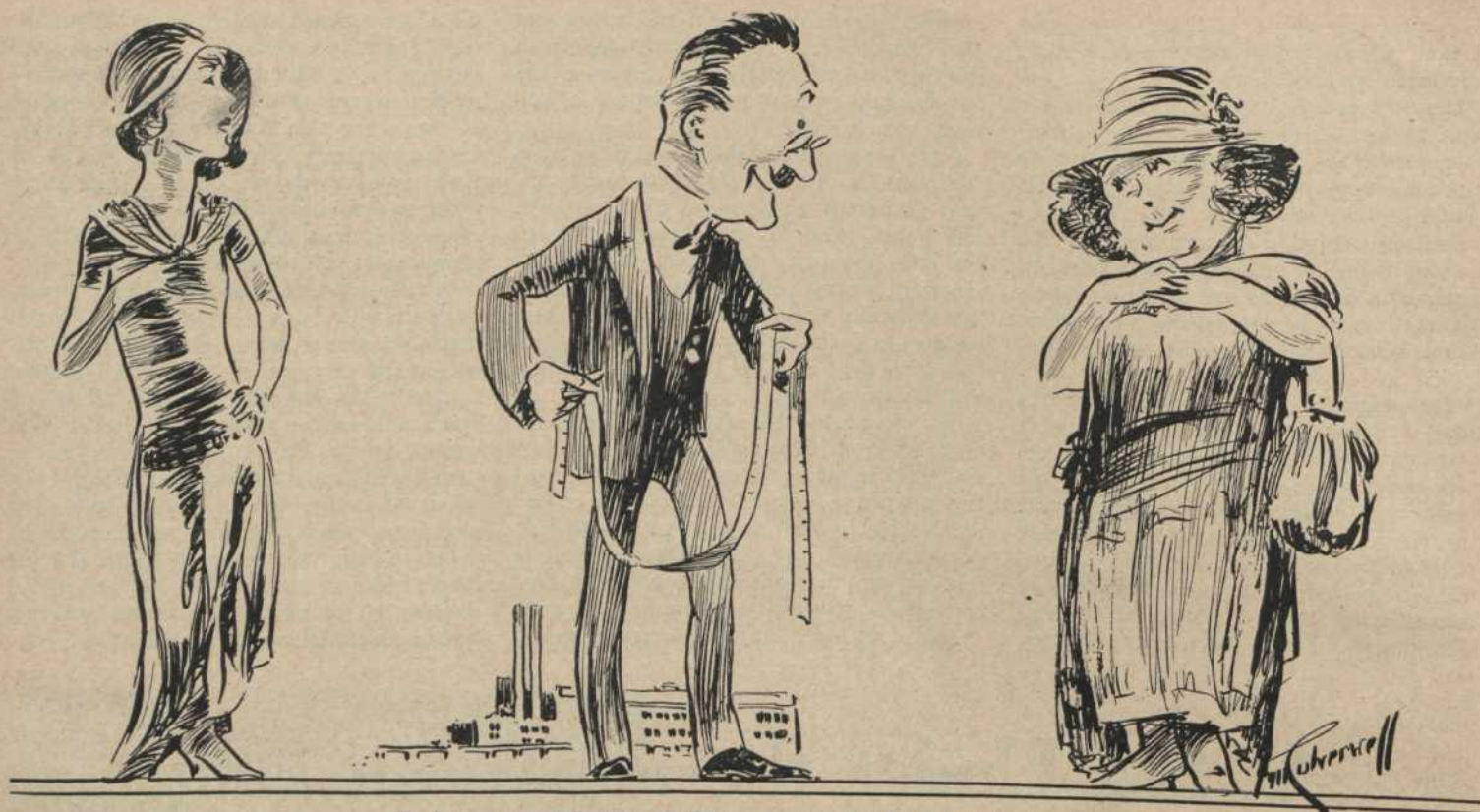
THIS elaborateness of food provision is a leaf out of the German book. Most of the stewards and kitchen workers are Germans, who, because they want above all else to hold on to jobs that are paid in dollars instead of marks, study, to please the public. Any birthday or anniversary among the passengers is seized upon as an occasion for a "party;" and the traditional "Captain's din-

ner" is a gala occasion indeed. Morning, afternoon and night, appetizing refreshments are enticingly displayed in smoking room and lobby to tempt further the jaded appetites of overfed passengers.

All this savors of the methods used by Germany in her struggle for ocean supremacy. On the personal service side, Americans have been rather a failure. The deck crew and engine-room force are wholly American, and entirely efficient and successful. There is somewhat of the same feeling of comfort and safety experienced by the American passenger, as he sees real Americans in full charge of all the ship's operations, as there is when he hears the strains of "The Star Spangled Banner" when the ship casts off the hawsers that bind her to the New York dock. "That's one thing you don't get on any other ship," I heard a Chicago man wearing a bronze service button say as we relaxed from "attention," as the National Anthem ceased.

But in the steward's department, where personal and sometimes menial service is given the passengers, American labor has proved on the whole, a failure. Our native born do not make good domestics. Therefore the deft and tireless and obliging Teuton or Briton is employed for this work. The total effect of this combination of an American crew with personal service by foreigners is safety and comfort to the nth degree.

So as a seasoned traveler I write this brief record for the information of stay-at-home Americans—fortunate folks!—that they may know that Uncle Sam is once again, and this time on the sea, fulfilling his historical rôle of originator and pioneer.



He became a manufacturer of "Stylish Stouts," and he prospered mightily.

Buying Habits in the Making

By HARRY BOTSFORD

IN THE first place this husband didn't want to attend the lecture; he was not particularly interested in physical culture, and least of all in that phase of it which relates to weight-reducing. He had a weight-reduction system of his own, which consisted entirely in worrying about his business. However, his wife verged—just verged, mind you—on being slightly stout. She had her own way, and they attended the lecture, although the husband called frequent attention to the already obvious fact that he was attending under protest.

After about half an hour of talking the lecturer made a statement which jerked Mr. Husband bolt upright! "Forty per cent of the American women over fifteen years of age are above normal weight!"

On the way home the husband turned that one statement over and over in his mind. Once in the house the wife demanded to know what was on his mind, and for the first time in years he unburdened himself of some of his business worries.

"The life of a clothing manufacturer who caters to the exacting requirements of women isn't exactly a bed of roses," he admitted as he lighted his cigar. "Mine is one of the highly competitive fields. The whole trouble is that my goods are in no way unusual or distinctive. A dozen of my competitors can show lines equally as good and sometimes at lower prices.

"That lecturer tonight made a statement that 40 per cent of the women over fifteen years of age are over-weight. Now if this is

the case, it seems to me that my company and all of our many competitors have been fighting tooth and nail in an effort to secure our share of 60 per cent of the existing business. On the other hand, 40 per cent of the women and girls of this country have never been logical prospects for ready-made dresses and suits, because they could not be fitted.

"If a manufacturer had courage enough to devote his entire time and talent toward making women's clothing for over-weight women, if he could make dresses and suits that would fit, if he made 'em of fabrics that had a marked tendency to make women appear more slender—say, honestly now, would women buy such clothes?"

"My dear," replied his wife, "I for one would welcome such an innovation. It would be very convenient, and it would save me money and time."

"Madame," proclaimed the husband in a voice cracked with enthusiasm, "you see before you the far-seeing manufacturer who is about to fill a long-felt want."

The "Mrs. Browns" Do It

HIS statement, it proved, was not entirely facetious, nor was it without vision. As a matter of fact, he did exactly what he promised he would do. He became a manufacturer of "Stylish Stouts." Today, of course, he has competition; but he is an acknowledged leader in the field; and as such, he has prospered mightily.

Our buying habits have undergone a radical change in the past two decades. The

average manufacturer who makes any of the three basic classes of commodities—food, clothing and shelter—can confirm this; and one might add to that trio, an additional class, loosely defined as the luxury class.

Some of our present-day buying habits just happen—like the two cases just quoted. On the other hand, many of them are brought about by a guiding hand somewhere in the background. It's a tremendous undertaking, as a rule, to introduce a new buying habit into the life of a nation.

Take a commodity in wide use—liquid vegetable shortening. A decade ago it was unknown; today it is in common use and can be considered strictly a staple commodity. When it was decided to introduce this, it was found that there were two great prejudices to overcome.

In the first place there was a natural prejudice in favor of animal fat; and in the second place there was just as great a natural prejudice in favor of a hard shortening. It was a long, slow and tedious process to give housewives faith in vegetable fat and to convince them of the advantages of liquid over solid fat.

In the first place the housewife was led to a vegetable shortening in the form of lard, a hard shortening that looked like lard. Later, when she had reached a point where she believed in and used the product, she was shown how much easier it was to use the liquid.

The buying habit really centered on the Mrs. Browns of the various communities. Mrs. Brown, be it understood, is the domi-

nant woman of any community. She is a woman of considerable means, social prestige and also a woman of keen intelligence. In particular she is an important individual to her grocer. Advertising, then, was directed at this type of woman. Eventually, in a few cases, Mrs. Brown asked the grocer for a package of the new shortening. She was a good customer, and her request was given respectful attention. The grocer did not have a stock of the new goods, but he would order some for her. Yes indeed!

Now the grocer, and herein lies the nub of the process, cannot order one single package of a commodity from his jobber or from the manufacturer; he must order one case at the least. So Mrs. Brown eventually received her vegetable shortening, and the grocer was left with a case from which only one package had been sold. That broken case represented an investment; and the grocer, like all retailers, lives on turnover. The grocer felt that the vegetable shortening had become part of his stock, and he wanted to realize on his investment. So he timidly but continually pushed its sale to other women and told them Mrs. Brown used it and found it fine. And they bought.

The Gallumphing Galosh

SOMETIMES a buying habit breaks out almost over night, and the demand far outstrips the production of goods. Take the instance of the lowly and much-cartooned galosh, for example. Almost simultaneously retailers in all parts of the country received unprecedented calls for these, and manufacturers were instantly swamped with orders. I happened to be in a certain city where a large plant for the manufacture of rubber footwear is located. The president of the concern showed me a stack of orders for galoshes in assorted sizes from all parts of the country, and admitted that he was puzzled. This was at the time when the craze or demand was at its peak.

"I can't understand it," he told me. "Our salesmen cover their territory only once a year, and in that one call they sell our entire line—a year's supply to our dealers. Normally we base our production on the volume of those orders plus about 25 per cent, which takes care of mail orders and natural increase of business. Now here comes a flood of orders by mail for galoshes from every state in the Union, and our production schedule is knocked sky-high. What in the name of the devil

started this demand, and how long will it last?"

I couldn't answer his last question, but the answer to the first has been found. The buying habit in the galosh line was based on the ancient saw which says that imitation is the sincerest form of flattery.

In a certain college for young women most of the girls wore galoshes simply because conditions forced them to—not because they really liked them, not at first. Classrooms were located in various buildings, and in winter it was necessary to wear a warm, dry foot covering in crossing the campus to the various classes.

Often only a very short time intervened between classes, and no time could be spent in buckling galoshes, and as a result of this, the girls hurried along with unbuckled galoshes flapping about their ankles.

Other girls in the college town saw this and imitated the custom. And the craze developed into a nation-wide buying habit which women and girls adopted at once. Also, a larger demand became apparent for men's galoshes. From the standpoint of health this buying habit is a very sane one in spite of the general masculine dislike for the flapping galosh. This flap is now definitely eliminated, thanks to the longer skirts of the present season.

Just at this writing another buying habit has burst upon us. I refer to the decided Egyptian flare evident in so many items on the market—fabrics, shoes, jewelry and what not. In some cases manufacturers welcome the innovation; in others it is being bitterly resented, because it is upsetting selling, production and distribution plans determined before the late King Tut-ankh-Amen was brought from his resting place. This present buying habit, however, is considered by most manufacturers to be nothing more than a

passing whim or fancy of the public, and they believe it will pass as quickly as most vogues do.

Most manufacturers have devised and adopted plan after plan in an effort to outguess public demand for their products. Sometimes these plans are successful, more often they come a cropper. Laboratory tests and exacting experiments have even failed to disclose defects which came to light when the product was placed on the market.

Perhaps the most sensible plan ever adopted to get inside the likes and dislikes of a nation is the testing board where a body of men and women in widely different walks of life use and abuse the product under various conditions and then submit their findings. Yet even this plan fails at times.

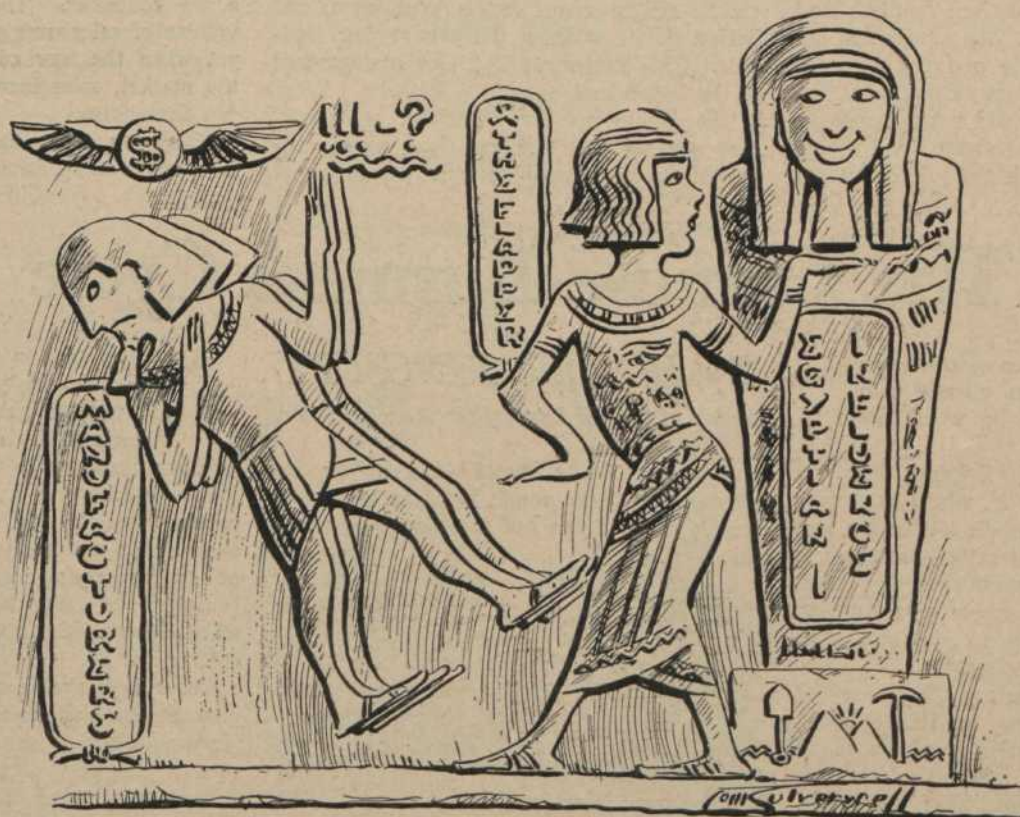
The Lady with the Green Lips

IN AN attempt to outguess and anticipate public demand and in a sincere attempt to place before the public the best products possible, a manufacturer of toilet preparations formed a testing board composed of sixty of his own employees, ranging from the office boy to the purchasing agent.

The first product the new board was called upon to test was a shaving stick. After several weeks the entire board had turned in a favorable report, and the merchandising of the new product was started. Scarcely three weeks after the product was placed on the market, it had to be withdrawn. Letters poured in from indignant customers who were a unit in pronouncing the new soap really delightful and all that was claimed for it. But these same letters were also a unit in pointing out that the lather bleached any colored fabric it touched and left stains on white goods. A chemical test revealed the difficulty as being due to a certain ingredient which changed its form under manufactur-

ing conditions. Further experiments brought forth the fact that the elimination of this ingredient not only did not lower the efficiency of the soap but it did lower the cost.

A new lip stick was perfected and passed to the women of the board to try out. When the board met to report its findings, seven of the eight women gave it their unqualified approval. The eighth woman voted against it. She demonstrated the force of her argument by a clear demonstration. She used the lip stick, and the other members of the board pronounced the effect perfect. Then the room was darkened, and the lights



The late King "Tut" was innocently responsible for another buying habit that has burst upon us.

switched on. The effect was still excellent and above criticism. Then the objector put on her veil, which had a few dots of blue in it, and the effect was ludicrous. Through some color trick under artificial light the red of the stick combined with the blue of the veil became an unpleasant green. The manufacturer to this day shivers when he thinks what might have happened if it had not been for the thoroughness of this one member of the board.

A shoe concern uses a testing board to excellent advantage. A patrolman is one of the most valuable members of this board; a postman is another valuable member; and a waitress in a hotel is a stern critic of shoe comfort. Three women to whom appearance is an asset pass on the lines and materials of new styles, and often make suggestions for new models; a well-known golf professional knows what's what in sports shoes; and an oil-field worker passes on work shoes, while several fishermen and hunters know all about the points of outing shoes.

In tracing buying habits to their lair and in the effort to run down the elusive dollar the testing board is one of the sanest of modern merchandising plans. But it is only one of many plans that go to make a more exact science of distribution.

It is curious how some buying habits which have been forced upon the public came about to the mutual benefit of all concerned. I know of no more interesting instance than that of the cranberry. Time was when we ate cranberries about twice a year—Thanksgiving and Christmas. Meantime the number of cranberry growers increased, and with the advent of the holiday season the market was glutted, and the growers suffered heavy financial losses.

Then they got together and formed an organization designed to introduce a new habit of diet to the American family. And all eat more cranberries. An advertising appropriation was set aside and put to work in a most efficient manner. Cranberries began to appear on many hotel menus; women's magazines printed articles about this healthy, cheap and really fine fruit and printed recipes

for its use. Eventually cranberries became common on the table of Mrs. Brown and received the general approval of the family. Today eating cranberries at any season of the year provokes no comment.

In December of this year three apparently unrelated things occurred: I tried in two cities near my home to buy two pairs of skis, but every store was sold out and could not say when they could secure shipment. In Boston an enterprising merchant sold in three days 1,000 suits of golf clothes; in the New England states railroads were doing an increased passenger business of around 450 per cent.

How did all these things happen, and what is the relationship between these conditions? Just this: A new buying habit had come into general use in Maine, New Hampshire and Vermont. These states were enjoying the unusual experience of maintaining their summer tourist business in the dead of winter, and people who formerly spent winters in Florida and other points south were flocking to these resorts. It is an interesting phase of selling recreation and sport; it is a concrete example of selling snow and zero weather to the public.

The average summer hotel season will not average over three and one-half months. A very large investment is involved, and it is necessary to make hay while the sun shines if the owner would prosper during the season.

Selling the Weather

SO THE hotel owners got together and decided they could stretch their season if every concern and organization affected would do its share. A campaign to this end was planned and set in motion. It involved, of course, considerable advertising. This was shared by cities, railroads and the hotels themselves. The advertising was concentrated almost entirely on the fun of winter sports as carried on in this climate. In 1920-21 eleven of the resort hotels kept open, and half a dozen of them did a very fair business. This winter, 1922-23, over a hundred of the hotels kept open.

The whole process of selling snow and zero weather and two vacations a year devolved almost entirely upon the promotion of

winter sports, and in this work many communities and cities gave their support and cooperation.

Almost every one connected with the launching of this new buying habit has profited. The hotels, of course, have prospered; but they have had to pass their prosperity along to others. New heating apparatus had to be installed, food supplies must be bought in large quantities, additional bedding had to be purchased. Manufacturers of snow shoes, skates, skis, were flooded with orders. The Boston merchant I mentioned advertised golf suits as being ideal clothes for winter sports, and they sold.

I talked not long ago with a manufacturer whose organization has the reputation of being responsible for several common buying habits of the present day.

"You never can tell about the consumer," he said. "There's no telling which way he will jump. Business isn't the exact science that building a sky-scraper is, not by any means. When a building is being built, one can watch the crane lift a load of steel girders and up twenty stories each one is shifted to its allotted place, where it fits to the fraction of an inch. No wastage, no surplus."

"Seldom can the component parts of a manufacturing, marketing and distributing campaign be made to fit properly. The closest study of buying habits may be precise and the effective functioning of the campaign perfect in its detail, and the consumer may turn up his nose at the whole business. It may be a pioneer in the field and have practically no competition, and yet some day something will happen to show a consumer-trend which has kept that product from achieving the success it might have attained. Just a few months ago an old manufacturer of a commodity in use in every home decided to change the package from a paper one to a tin container. This product had a big volume of sales over a period of fifty years; yet when the new container was placed on the market, sales increased in three months just four times.

"No, you never can tell about the consumer, just when, how or where he will buy."

The Chinese Business Cycle

By HOMER KINGSLEY

Author of "In the Land of the Manchus," Etc.

THE Chinese business man has the one great question always with him — the year in which he was born!

It does sound idiotic, I know, but just just the same the year in which you were born in China means a whole lot for the rest of your natural life and after—for there is always the fact to be considered that when you become a spirit ancestor you have to scoot around compounds to see that your folks are behaving themselves.

"Do you belong to the cow?" No savee? You would if you were in the Celestial Kingdom. Such a question wouldn't sound like "Why is an egg?" and "How old was Ann?" and other ancient jokes. No, sir, the Chinaman would come back with, "Do

you belong to the horse?" and if you answered, "Yes," he would begin to shy away from you as if you had the plague or something.

It's all very simple—to the Chinese, for they are brought up on that sort of thing, and have been for the last several thousand years, more or less, mostly more.

It's all in the reading and interpretation of the Yin-yang-bah-gwah board, which is the Chinese ouija outfit raised to the *n*th power. With this bit of marked-up affair and the year in which you were born, which indicates to which of twelve animals you

belong, plus a few score other contingencies, this yin-yang affair will give you the straight tip on what is going to happen day after tomorrow as well as three o'clock next week.

Also whether you have picked out the right partner to join you in the poppy-growing business or not and whether your daughter or son is marrying into a family that will be protected by the honorable ancestors or whether—but what's the use, the yin-yang, etc., tells it all.

There is a sketch accompanying this discussion that will make the elements of this yin-yang affair as clear as—well it isn't safe to say just how clear it will be. I *know* I don't understand it all, yet. Nevertheless it's interesting to know the rule of thumb

by which the Celestial does his business and runs his home.

The black and white entwined circle-like affair, looking something like a twisted up trade-mark of the Northern Pacific Railway is the basis of it all. This is the original yin and yang—take your choice. The yin and yang principles (*yin*, black; *yang*, white) stand for earth and heaven, female and male, cold and heat, darkness and light, prohibition and bootlegging and any number of other opposite qualities that you might think of.

But just to show you that he is a philosopher in spite of his ouija board and all, he puts a dot in the center of the black and white, indicating that there is nothing absolutely good or absolutely bad, absolutely dark or absolutely light in the whole world.

The sketch tells the rest of the story. The black bars are put there to make it hard and to make it venerable, for these same special markings were taken from the shell of an ancient old turtle that had up to that time lived a few eons or so. The black bars have a deep and dark significance and are known as the bah-gwah or the eight diagrams. The names and the meanings of the arrangement of these bars act as a special aid to the fortune teller.

The outside circle is where the fun begins. This includes the system of marking time according to the oldest nation on earth. Their calendar is divided up into sixty-year cycles. 1923 is the 59th year of the seventy-sixth cycle and 1925 will begin a new cycle.

The strange characters about the outer circle are translated as to meaning for a section, then they repeat all the way around. Now these years also take in the heavenly elements such as earth, fire, wood and water, metal, and so forth. So that there you have the balance again. These elements must be played against the earthly line represented by the animals.

This is something of the way it works:

The crafty Chinese—wanting to know about a wife for his son, or wanting to know about some business deal, or what the dope is for tomorrow's game, looks over his yin-yang and sees if he can find out. If it is all as clear as daylight, he takes the information and goes ahead to buy or sell or take or give in marriage. But if it is as dense as mud, he proceeds to hie him over to the fortune teller and shaking some cash under his nose ask for the low-down on the situation.

Suppose he is marrying off his son—but let Nai-nai (grandma) explain the situation as she did one time to her grandson who was asking for family information—as small boys are quite apt

to. And let it be said that it is the women of China who keep the worthy men folks going to the fortune tellers even in this day of enlightened information. They are, as a rule, poorly educated; and superstition and premonition plays a big part in their lives; and they harp on it constantly. Lo An is the big brother who is about to be married, and Nai-nai is telling how his first fiancée died and how lucky it was that she did die.

"When the girl died," she said to the lad, "your father began to think there might be something to the old customs after all, and finally he went to see a fortune teller to learn the reason for her death. As soon as the

fortune teller learned what year the girl was born and what year that Lo An was born, he knew why she had died, for he saw that your brother belonged to the dog, and the girl to the chicken (count back on the sketch and you will find that they were born in the years 1898 and 1899).

"He told your father that if this girl and your brother had married and she had lived, they would have had many children, for 'fire produces earth' (fire goes with the year 1898 and earth with the year 1899), but the dog and the chicken cannot be matched without great danger to the life of the person belonging to the chicken. You should not forget that the horse cannot be matched with the cow, the tiger with the snake, the dragon with the hare, the sheep with the rat, the monkey with the pig, or the chicken with the dog."

These are the special antipathies among the twelve animals. You might check up where your partner stands?

But this yin-yang outfit is on the balance plan. If one side, the yin, is all to the bad then perhaps the yang will help out a bit. The Chinese trader is not overlooking anything or looking over anything when he consults the fortune teller, even though it may be a miserable son that he is marrying off, so he asks what the elements indicate.

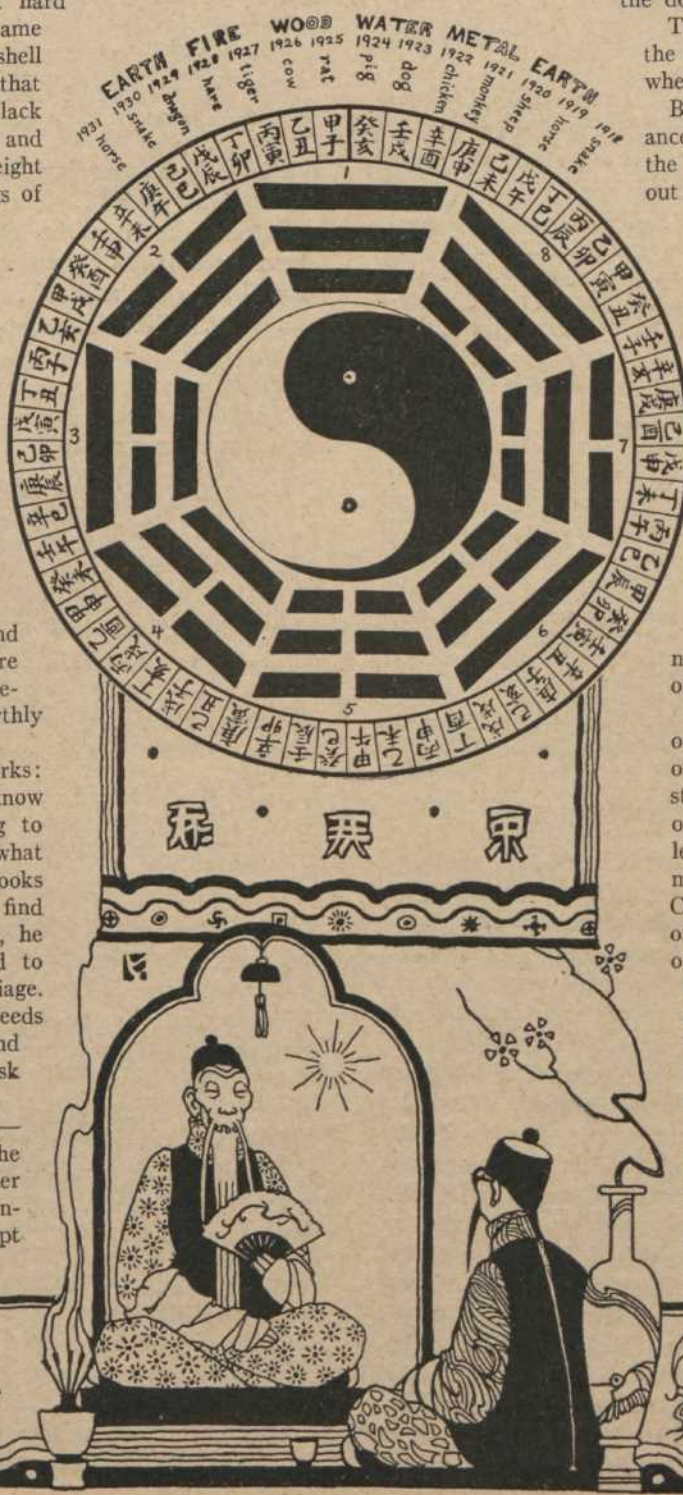
In this special case of Lo An everything along that line was lovely. But here are the fundamentals. The Chinese say that water "conquers" fire, fire conquers metal, metal conquers wood, wood conquers earth and earth conquers water. But on the other hand, wood "produces" metal, metal produces water, water produces wood and so forth.

The ideal is to mate folks and businesses and enterprises that are shown on this yin-yang affair as productive.

It might be highly interesting to use one of these trick ouija yin-yang affairs on Congress and see how men and things stack up. Is Government Ownership dog, or horse, or just squirrel; and is La Follette, just for instance, fire, water, or merely froth? And how about the Esch-Cummins Bill? Is it masculine, feminine, or either? The wielder of the Chinese ouija would have to stick a pin in each elusive law-maker, so that he'd stay put as horse, dog, fire, pig, chicken, or what not, put all the legislation, proposed or otherwise, in its proper place, then match them all up.

After all, income tax blanks, excess profits, elections and all the rest are mighty interesting and at the same time very simple compared with life according to superstition and fortune telling in the Orient.

The Yin-Yang-Bah-Gwah



The NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

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Lasker vs. Lasker

The Chamber is unalterably opposed to the Government's engaging in a commercial business, for the reason that such a course is economically inefficient, is against public interest and is in contravention of the fundamental purposes of the Government. . . . Further efforts should be made to evolve a plan by which the ships necessary to the maintenance of essential service may be operated by private citizens of the United States.—From the resolutions of the Eleventh Annual Meeting of the Chamber of Commerce of the United States.

Albert D. Lasker Before the Joint Congressional Committee, April, 1922.

It is a drab picture which I draw. We can only look forward to benefiting from improved world conditions by putting our house in order to transfer our fleet into private hands.

If there is one thing worse than government ownership as we now have it, it is ownership and operation by the Government.

If there is one unanimous agreement in the country regarding our merchant marine it is that government operation of merchant ships should cease.

From the Address of Mr. Lasker at the Tenth Annual Meeting of the Chamber of Commerce of the United States, in May, 1922.

My experience as chairman of the Shipping Board has taught me, as I never realized before, that government ownership and operation of ships is as poison ivy in the garden of industry.

From Albert D. Lasker's Letter to the President, June, 1923.

Private capital has not entered the carrying trade today for the same reason that existed prior to 1914—the higher operating charge of American ships.

The apparent alternative is to go the full length of direct government operation.

Before entering upon a final commitment to a policy of direct government operation, the Board has within the past few weeks advertised its established lines for sale. But developments indicate that most of the bids will be inadequate. Under these circumstances only is the Government warranted in assuming the task of direct operation.

I now recommend in the event of failure to secure an adequate price for the ships, the creation by the Fleet Corporation of twelve or eighteen subsidiary corporations in which will be consolidated the existing freight lines.

A Basis of Confidence

WHEN Samuel M. Vauclain sold \$20,000,000 worth of locomotives on credit to countries in southeastern Europe and Latin America many observers shook their heads. They thought the Baldwin Locomotive Works might have to write off its surplus on account of these very sales. In the confused state of the world's machinery of exchange it did seem a doubtful enterprise.

"No dishonest man buys a locomotive," said Mr. Vauclain. He reminded the skeptical that railroad equipment has no speculative use; it is never held for a rise in price. It is purchased only to be put to work, and when it is put to work it pays for itself. And so he went ahead with his program, because railroads in this country could not buy at that time, and he wanted to keep his men at work. He visited Obregon and lent him \$3,000,000, including sixty-five locomotives. He visited Poland and, despite the threat that the Russian bear might gobble the new republic, he sold it on credit \$7,000,000 of equipment. He visited Roumania and took an order for \$3,000,000 worth of locomotives, and the American Locomotive Company shared the order with him. So it went. The Standard Steel Car Company had such confidence in his judgment that, when-

ever he contracted to send engines, it contracted to send cars.

That was in the latter part of 1919. Since then Poland, by many regarded as the most doubtful of the customers, has not only paid the bill but has bought an additional million dollars' worth of locomotives and paid cash for them. All along the line Mr. Vauclain's faith has been justified.

We are reminded again of the late Pierpont Morgan's epigram: "The basis of credit is character." But in this case the nature of the commodity to be sold on credit was used as the touchstone of character; and the test proved accurate.

Who Were Hit in 1921?

THREE STATES paid almost exactly half of the federal tax levied upon individual incomes for 1921. They were New York, Pennsylvania and Illinois. In fact, residents of eight states paid three-quarters of the tax. The states, and their percentages, were:

	Per cent.		Per cent.
New York.....	29.30	California.....	5.06
Pennsylvania.....	11.76	Ohio.....	4.67
Illinois.....	9.18	New Jersey.....	4.62
Massachusetts.....	6.47	Michigan.....	3.36

Conditions governing individuals' income were very different in 1920 and in 1921. The business depression in 1921 had even greater effect upon the tax than upon incomes. It accounted for a good part of the decrease of 30 per cent in the tax collected upon all personal returns for 1921 over the tax collected for 1920. With this average of 30 per cent decrease in tax for the whole country are to be compared the decreases in tax from personal returns in some states. The percentage by which the tax upon personal incomes for 1921 fell under the tax for 1920 was, for some states:

	Per cent		Per cent
South Dakota.....	76	Nebraska.....	60
Iowa.....	69	Kansas.....	59
Oklahoma.....	69	Mississippi.....	57
Hawaii.....	64	North Dakota.....	56
Arizona.....	61	Virginia.....	53
North Carolina.....	61	Texas.....	50
South Carolina.....	61		

At the other end of the scale, the percentages were:

	Per cent		Per cent
Illinois.....	18	Oregon.....	25
Maine.....	18	New York.....	26
Nevada.....	18	California.....	29
Rhode Island.....	21	Pennsylvania.....	29
New Jersey.....	24		

The surtaxes on individual income operate to reduce the taxes received by the Government for such a year as 1921 by a larger percentage than the total taxable income of individuals declines. The decrease in the total net income reported on personal returns for 1921 was considerably less than the decline in tax, being 17½ per cent. The average income shown on the returns for 1921 was but 10 per cent less than for 1920, but the average tax was less by 28 per cent.

If net income reported by individuals in the various states is considered, declines between 1920 and 1921 which departed most from the average were:

	Per cent		Per cent
South Dakota.....	54	Oklahoma.....	35
Iowa.....	50	North Dakota.....	34
Nebraska.....	41	Washington.....	33
South Carolina.....	38	Hawaii.....	32

The states showing the smallest decreases in the personal net income of their residents were:

	Per cent		Per cent
Illinois.....	0.2	Massachusetts.....	15
Missouri.....	8	Florida.....	15
New York.....	10	Louisiana.....	16
Nevada.....	11	Montana.....	16
New Jersey.....	12	Oregon.....	17
California.....	12	Colorado.....	17
Pennsylvania.....	12	New Hampshire.....	18
Maine.....	13	Wyoming.....	18
Rhode Island.....	13	Tennessee.....	19
Wisconsin.....	13	Vermont.....	19

As yet, the details are available only for personal returns—the returns which were filed in March, 1922, and on which tax was paid in 1922. In due course, the details will be forthcoming from corporate returns. It may then be possible to reduce to figures some of the experiences of industries in the economic events of 1921.

Handling the 8-Hour Shift Abroad

THE TWELVE-HOUR DAY, or two-shift system, in some parts of the steel industry where the processes require continuous operation, has been receiving some attention in the United States. Consideration of the twelve-hour day has been one of the post-war events in the industrial field in other countries, too, and as in the United States the conclusion has been that an eight-hour day—i. e., the three-shift system—could be substituted.

The dates upon which the three-shift system went into effect at blast furnaces, bessemer converters, and similar points in the production of iron and steel disclose how recent the change has been abroad. Both British and German establishments made the change in 1919, and works in Austria followed suit in the same year. In Italy some plants introduced the three shifts in 1919 and others in 1920. Belgian plants went to three shifts in 1920.

European countries divided pretty equally between voluntary action based upon agreements with workmen or initiative of employers and compulsory action, through legislative enactment.

Most European plants, however, have been unable to get away from an occasional long day in the portions of the steel industry which have to keep going day and night. In order to give the men on each of the three shifts a long period of rest at intervals, the plants rotate the shifts in different ways. One method of rotation gives everyone a rest of thirty-two hours once in three weeks, but a rest of only eight hours at the other two week ends. Another arrangement causes a sixteen-hour day once in three weeks, but a period of rest for twenty-four hours at each of the other two week ends.

No Longer "Idle as a Painted Ship"

IDLE SHIPS are not so numerous abroad as they were at the time of greatest depression in ocean commerce in 1921. Two years ago there were 423 vessels aggregating 2,000,000 net tons laid up in British ports. The idle vessels have now dropped to 500,000 net tons.

Reemployment of many boats which were laid up in England and elsewhere appears in the statistics which are available. In May, 1923, the tonnage of vessels of all nationalities clearing from British ports was more than double the tonnage in a month when ocean transportation was in its greatest depression.

Figures for vessel tonnage, such as have just been quoted, may not reflect with entire accuracy the movement of cargo; for vessels may proceed with holds which are empty in varying degrees. Figures for the tonnage of cargo moving from and to our salt-water ports in foreign commerce are collected by the Shipping Board. Between the dates in 1921 and 1923 used in connection with the British figures these American statistics show a substantial increase, having risen by 20 per cent. As a matter of

fact, however, the low point came later for our ocean trade; and if the recovery is measured from the depth of our depression, it now stands at 112 per cent.

All of the idle ships have not obtained employment, and the business of transportation by ocean is far from satisfying the steamship men, but the figures go to suggest a degree of general recovery in international trade by sea.

A Merchant Marine to Mark Greatness

INDIA wants an Indian merchant marine, or at least there is enough discussion among the people of India to give the subject some importance. The argument seems to proceed pretty largely upon the theory that every well-regulated and proud nation with its feet on salt water should have a merchant marine. In other words, a merchant marine is an indispensable demonstration of sovereignty if a nation wishes to maintain a place in high society.

As India's foreign dangers have always lain on the landward side, national defense would not enter into the equation. The hill tribesmen who dwell along the northern frontiers have not been recorded in recent history as taking to the water on any of their forays.

Italy Thrives on America's Labor

THE ITALIAN IMMIGRANT is an asset upon which his native country counts. The savings he sends back to his family in Italy form a considerable increase in the national resources, according to the Italian point of view.

In the years before the war, the average receipts in Italy from immigrants who had come to the United States were about 65,000,000 lire, or approximately \$13,000,000. This year receipts are expected to go to 320,000,000 lire, or around \$16,000,000 in our money. To the Italian recipients, however, the increase in receipts will be much more than the difference in dollars; because the domestic purchasing power of the lira is greater than its value in foreign exchange.

These increases are being made in the face of restrictions imposed on immigration by the United States which did not exist in 1914. One conclusion is that the present immigrant is much better at savings than his predecessor of pre-war times.

'Round the World by Advertising

IF LIFE seems humdrum in these dog-days of summer, take a turn through your advertising pages. The journey will require but a minimum of effort, and it will reward you if you are alert. You can go 'round the world for nothing, and explore unsuspected fields of enterprise.

Even your telephone "ad" is a reminder. The twenty materials which go into that dependable instrument come from all the quarters of the globe and include gold itself. Silk there is, and rubber and mica and copal, linen and coal and platinum. What better evidence do you ask of the untiring energy and exhaustless resources of commercial initiative put thus at your command?

Consider how the ingenuity of the airbrake has brought security to your steam and electric travel; reflect on the skill with which man has utilized asphalt, asbestos and waterproofing to resist the slow fire of corrosion; note the mechanical arithmeticians brought into being to avert your blundering impulses in bookkeeping; observe how electric conveyors, pilers and portable elevators, which never stop to rest even in the dog-days and seldom stop for anything, lift the burden from human backs.

Or through these pages take a bird's-eye view of the world! As you sit in your office chair or lounge in your hammock you may travel to Far Cathay and roam through the Seven Seas, wander through the gardens of sultans and viziers, pause at desert oases and cross snow-capped mountains.

It's Your Job to Keep Him Honest

By WARREN BISHOP

NO SANE business man would buy a piece of property and build on it without at least having the title searched. Very probably he would insist on having his title insured.

Yet all over the country men are taking on employes without searching titles. And then when the man proves dishonest, they are amazed at the decadence of the moral stamina in the youth of this generation.

That, in the opinion of A. E. Rousseau who has spent a lifetime dealing with cases of

boy or young woman. But suspicion pointed at this youngster, and I started to do what the employer should have done—and in fairness to the boy and to himself—look him up.

"Well, if there hadn't been a pitiful side to it, it would have been almost funny, it was so simple and obvious. The boy was everything he shouldn't be. His own mother thought of him as incorrigible. The policeman on the beat knew him as confirmed craps-shooter and petty thief. As for the man who kept the corner drug store, he expressed a fervent hope that he would never see the boy



defalcation on the part of major and minor workers, is where the employer is most to be blamed.

"Daily for years past I have been called upon to investigate cases of theft that have led to a clerk as to whom the employer had the scantiest of information. Men will take a reference and accept it unverified. They do not even bother to find out if a man lives at the address he has given.

"Who is to blame if things go wrong? The man who takes the money? Is there no responsibility on the man who hired him without knowing about him or without even trying to find out?

"It is no difficult task to make at least a preliminary investigation. Any one can find out if the applicant lives where he said he did, if his statements about his family are correct.

"And even those elementary facts are helpful and are often neglected. It takes no detective intelligence to go a step further. The neighborhood grocer, the man who delivers newspapers, the policeman on the beat can all contribute their mite to the total of facts that make up a man's reputation.

"What does a man do with his spare time? Where is he evenings? What kind of a game of pool does he play? Are his milk bill and his meat bill met with reasonable promptness? These things can be found out, and from them a fairly good picture of the man

can be drawn. Is a man paying too much rent for his income? You can't make a rule about that. Many a man is paying a higher rent now-a-days than he wants or can well afford to pay, but he's driven to it.

"The answer of a lot of employers to this is, 'I can't waste the time and money.' But the waste is in not doing it. It would cost him \$3.00, not more than \$5.00 anyway, to make a simple investigation; and it costs far more than that to have a man go wrong. You see all sorts of figures as to the cost of 'hiring and firing.' One large concern figures that it costs about \$60 to take a man on and let him go. But that's only a drop in the cost if the man has fired himself along with three or four hundred dollars of the firm's cash or property.

"And don't get an idea if you're an employer that you're gifted with a sort of second sight that makes it possible to tell an honest man by looking at him and talking with him. That's all nonsense. If it were true, all the confidence men in the world would go out of business. Three-fourths of their stock in trade is in looking and talking like the most honest of men.

"Just to illustrate let me tell you of 'the angel-faced office boy.' We'll call him that, anyway. I got to know him through disappearances of money from desks in a large office. We had to go carefully, because it's a mighty serious thing to accuse the wrong

again, because, as he explained his statement:

"'Never did he come in here without my missing something when he got out.'

"The rest of the story is short. The boy was caught, discharged in disgrace and left to a career that is likely to have but one end.

"But what I want to emphasize is this: The man who hired that boy failed in a duty he owed not only to himself and to his other employes but to the boy. Had he known, and he could have known, what the boy's nature was, he could have done two things—refused to engage him, or put him where he would not be exposed to temptation and be under a kindly watch.

"It's easy to say that the boy was bad and ought to be in jail; but no boy ought to be in jail; and the fact remains that the man who hired that 'angel-faced boy' because he looked as if his one joy in life when he wasn't working was singing solos in church, just didn't play fair."

Mr. Rousseau's life has been spent in dealing with cases of crookedness—crookedness that's just natural and inborn, and crookedness that just "happens"—although he has no one-sided view of life. So far from looking at all men as possible thieves, he looks upon them as probably honest. And his sympathy for most of those who go wrong is still alive and human.

Ask him if he doesn't think that there are times when it's the employer, not the thiev-

ing employe, who really deserves the punishment; and he'll agree with you—within bounds. He makes it clear that not only does the hirer owe the hired the duty of looking him up, but that he owes him the duty of keeping intact the safeguards that are naturally put up to enforce office and shop honesty. To quote our expert again:

"What's the use of building up a system of checks and counterchecks if you let them slip one by one?"

"You invite a man into your office family, you show him that necessary routine must be followed not because he or any other individual is under suspicion, but to prevent a situation arising that might unjustly throw suspicion upon the individual. Then after he's been introduced to Old Man System, Stern Frowning System, he discovers that said system is a weak and fawning hypocrite to whom no one pays any attention.

"A case was put up to me not so long ago by a personal friend, which illustrates what I mean. He was a dealer in and a manufacturer of finished lumber with rather a big business and outwardly profitable, but he was worried because one part of his factory and yard, which seemingly was profitable wasn't and the 'why' of it didn't appear.

"He asked me to look into things, and I found that one of our old friends, 'the trusted employe,' was stealing lumber and finished woodwork—just plain stealing it, and by the truck load, too. You wouldn't think that a man could possibly steal enough lumber from a plant where he worked to make it worth while. But this man could, and did, and his employer was largely to blame. There was an adequate system of keeping track of outgoing lumber, giving one slip to the driver and filing a duplicate in the office. But the office grew, and little or no attention was given to the checking slips, which were stuck on a spike and forgotten.

Who's to Blame?

"**RESULT:** what I have told you; and who was to blame? Surely the employer was at least partly to blame that this man turned thief. Nor was this the employer's only fault in the particular case. He'd hired the young man, who was only 22, because he was a relation—a brother, I think—of a man who had worked for him and been injured. A good reason, but only part of the bunch of reasons that ought to be considered in giving a man a job. What he hadn't done was to look up the young man's record and habits.

"More than that, this boy—he wasn't much older—was getting \$40 a week, and was building, apparently as a speculation, an \$11,000 house not far from the lumber mill where he worked. Now \$40-a-week unmarried youths don't build \$11,000 houses. He told a story about a legacy from an aunt that he wanted to invest. A little inquiry would have run that down. What he was investing was stolen lumber.

"Now there's a case where the employer ought to share a part of the blame."

No one would question an employer's duty adequately to pay the men and women whom he hires, and there's something of truth in the oft-printed newspaper story headlined,

"Man Who Handled Millions Got \$20 a Week," but those who speak by the card on employe-honesty do not think that underpayment is so great a stimulus of theft as hasty newspaper reading might lead one to believe. This is no defense of underpayment. Rather is it a proof of the normal man's ability to resist great temptation, so great that sometimes a very little more would make it seem like justification.

But facts are that the well-paid man is quite as apt to stray from the straight path as the underpaid one. Take two cases:

A is a clerk in a financial institution getting \$1,800 a year, married, with two children, sober, industrious.

B is a bachelor getting \$5,000 a year, with an immoderate fondness for pleasures that may be all right in moderation, and a fondness also for pleasures that are not all right under any circumstances.

Why Men Steal

WHO steals money? The answer, as you have guessed, is B, although temptation would seem to lie all with A. But in the long run men don't steal to meet a need; they are far more likely to steal to gratify a desire.

"That's undoubtedly true," said Mr. Rousseau, "for most cases. I have known some instances, very pathetic ones, where men have taken money because they were in dire need. It's illogical for a man to steal because he's too proud to beg, but that is about what does happen in an occasional case.

"But it is more likely that the man who steals isn't the man you'd pick out as having to steal.

"I recall one case right along that line which illustrates, also, what I've been saying about the employer's duty to keep his protective system keyed up even if he thinks he knows all about every one of his employes.

"The employer in this case was a big wholesale grocery house, and the employe was the well-paid, I might say, highly-paid, purchasing agent. Because the company grew careless in its checking off of purchases, he was enabled to carry on successfully a series of wholesale stealings that covered a number of years and ran into thousands of dollars.

"Oddly, it was a silk shirt that led to his undoing. This all happened before the days of the post-war, from back in a day when the silk shirt was a rarity and marked a man who devoted a good deal both of attention and money to his dress. The head of the company was a very rich man, and one of his hobbies was the silk shirt, expensive ones that could only be had in a few places.

"One day he noticed that his purchasing agent was wearing a shirt like one of his own carefully chosen garments. There wasn't anything wrong in that, but it struck him as remarkable that a purchasing agent, even a well-paid one, should wear so fine a shirt. Perhaps, too, he resented a little any poaching on his own private shirt preserves.

"He started a little private inquiry, which gradually broadened. The employe was living extravagantly with two or three automobiles and an apartment beyond his means.

"Then it was found that for years he had been giving fake orders to dummy concerns and pocketing the proceeds. But the sur-

prising thing was that he had worked out his plan even to the point of investing the money in a string of stores, which were doing well—he was a capable business man. A little longer and he might have been able to get out and go ahead with his own business and perhaps never have been found out.

"Now there doesn't seem to be much of a moral to that tale, but it throws a little light on two points I'm trying to make: It doesn't do to assume that your employes are all honest—nor to assume that they're dishonest. It isn't a matter for assumption either way. It is the employer's duty to keep in force reasonable safety devices for the protection of his goods and his money.

"If you let these things slide and say, in effect, to yourself, 'Oh, why worry? I've given these fellows a try-out and nothing has happened,' who is to blame if a boy who ought not to have been allowed to handle cash walks off with money, or if things disappear from stock because no one takes proper records, who is to blame?

"Isn't the employer partly at fault? The job of being honest isn't all on the employe's side. Part of that work belongs to the man who hires and pays him. And there are two things he owes his employes:

"Proper investigation of the men and women he takes on, and proper care that his office system isn't allowed to go to pieces with the result that temptation is unfairly put in the way of the worker."

Books for the Mariner

THOUSANDS of the men who go down to the sea in ships now have the fellowship of books through the work of the American Merchant Marine Library Association, of which Mrs. Henry Howard is the executive head and President Harding the honorary president. Chairman Lasker and Secretary Hoover are vice-presidents.

Through the dispatch offices in New York and Boston 46,825 books were used in 1922 in serving 503 ships belonging to 92 companies. On the Great Lakes, says the report, with a book stock of 22,573 volumes, libraries were placed on 452 ships belonging to 67 companies. The report offers the estimate that 40,000 seamen on the ocean and the Great Lakes have had the use of the 1,743 ship libraries available to merchant ships.

The American Merchant Marine Library Association was organized in May, 1921, with headquarters at 82 Beaver Street, New York City. The association is to continue and develop the work of supplying libraries to the crews of American merchant ships, which was performed during the war by the American Library Association.

The work is maintained by membership dues and by contributions. Association dispatch offices for the storage and exchange of ship libraries have been established at New York, Boston, Sault Ste. Marie, and San Francisco, and arrangements have been made with the Y. M. C. A. for a similar service at eight foreign ports. When sufficient money and books are available, the trustees plan to establish dispatch offices at Philadelphia, Baltimore, New Orleans, Galveston, and Seattle.

In the Back of the Customer's Mind

II. The "Price Reduced" Yarn That the Customer Doesn't Believe

By OTIS R. TYSON

A PREVIOUS article told of a merchant's experience in lessening annoying familiarity on the part of his salesmen and women and of doing away with a custom of putting a premium on selling less desirable goods.

It was this same merchant who took the initiative in doing away with the use of comparative prices in his city. He struck out as boldly as he did in handling the other problems, and with equal success. His conclusions go to the very heart of the subject:

"Finding out what people really think of my store is getting to be a hobby with me," he said. "I hadn't been doing my daily rounds through the store very long when I became interested in the use and abuse of comparative prices. I discovered that people don't, as a rule, believe comparative price statements. At least they don't accept them as being indicative of the present value of the merchandise. They know that the actual retail value of an article can be measured only by the price at which someone will buy it.

"I talked to a great many of my customers and the common answer was to the effect that they always put a mental question mark after a former-price headline.

"Comparative prices might be all right if carefully and honestly used—by everybody. The trouble is that most organizations can't be trusted with so pliable a policy. A buyer's inborn egotism is the first thing with which we have to contend. He really believes that when he goes to the market for sale goods he outbuys all of his competitors, and he establishes his 'value' figures accordingly, without a deliberately dishonest thought in his head.

"The ambitious advertising manager, eager to tell a surpassing bargain story, translates the buyer's statements into big type. The salespeople follow this lead and our customers—well, they just have to go ahead and do the best they can under the circumstances. They are forced to go from store to store comparing merchandise and prices, trying on and trying on. They know a lot more about values than we give them credit for."

The "Worth Up To" Habit

HE DECLARED that such expressions as "\$35.00 suits for \$18.75," or "Dresses worth up to \$35.00 for \$18.75," will never again be used in his advertising. He singled out "worth up to" as the most dangerous of all the phrases used because, as a rule, in the "up to \$35.00 lots" there are only a few garments worthy of that valuation. The balance of them are only slightly reduced; sometimes not at all!

"In defense of the retail business as a whole," he said, "I should say that the old scheme of deliberately marking up prices before a 'sale' so that they can be 'marked down' again is rapidly going out of vogue.

The evil that is now with us is the result of loose management rather than deliberately planned fraud.

"Experience has demonstrated many times that it is easier for a store with a well-established no-comparative-price policy to stimulate business than it is for the followers of the old plan. Sale efforts get a better response. People seem to prefer to form their own conclusions as to values. Buyers realize that the merchandise they assemble for a sale must be offered strictly on its merits—and they get better values. Salespeople are forced to talk about tangible quality and style rather than the claimed former selling price or the assumed present value, for if properly carried out a no-comparative-price policy extends to all phases of selling."

Ethics, and Sound Business

I TALKED to a merchant in another city on this subject—one who has not permitted the use of comparative prices in his store for many years. He said:

"Frankly, we first dispensed with the use of comparative prices because we considered it the easiest way to keep faith with the public. The old system caused us a lot of trouble and expense in checking up 'value' statements made by the department heads. The only comparative prices we are interested in are our own prices compared with those of our competitors; we do check up on that—particularly on so-called staples.

"We can't afford to be out-valued or under-sold. About the worst thing that can happen to a store is to have the impression get out that it is higher than its competitors on articles of common use. But as for the use of comparative price statements in our advertising and selling system, we would not think of resuming the practice—not only as a matter of plain honesty, but as a business-building policy."

Again I turned to my personal friends to get the customers' viewpoint. They verified everything the two merchants had told me. There is undoubtedly a bad reaction in the average mind after reading an advertisement containing comparative price statements. Here are some of the flare-backs:

"If they are really \$35.00 suits, why should they be sold for \$18.75? There must be something wrong with them. If they can afford to sell \$35.00 suits for \$18.75, and if they ever sell anything at the regular price, they belong to the war-profiteer class; I think it will be safer to trade elsewhere."

There is a marked tendency throughout the country to do away with the use of comparative prices. In many cities the Better Business Bureaus are making it an issue, particularly where the abuses are flagrant. The practice is no doubt destined to the discard along with others that have been

forced there by the pressure of public opinion.

Another phase of this subject came to my attention through making a purchase in a chain drug store. I was attracted by a prominent interior sign which read:

"You get what you ask for in this drug store; we do not urge you to buy something else 'just as good.'"

I made up my mind that the author of that sign knew pretty well what is in the back of the customer's head pertaining to drug stores. The manager put the matter very frankly and clearly when he said:

"From the customer's standpoint, one of the outstanding objections to the modern druggist is the practice of attempting to sell his own preparations, or those in a line for which he is exclusive agent, when a nationally advertised product is called for. You can't blame the salespeople, for they are paid extra commissions for making such sales—and sometimes their job is at stake if a certain percentage of the merchandise they sell is not the druggist's own line.

"The customer's resentment is a perfectly natural thing, particularly when the salesperson becomes over-insistent through eagerness to accomplish the thing expected of him and a natural desire for a big commission check at the end of the month.

"Several years ago we concluded that we must break away from that method of selling. That sign is the text of the policy that was adopted—in fact, it is the whole story. We have our own preparations and, naturally, we are interested in their sale. But we cannot afford to accomplish this by trying to discourage the sale of the preparation called for. Our salespeople are instructed to sell the article called for, and they must do it cheerfully and without reference to any similar article we may have.

And It Pays

THAT service done, our own merchandise may be introduced as a companion article, or because of a special price or its seasonal appeal. To this method the customer, as a rule, has no objection—if the introduction is tactfully made. Of course some people resent any attempt to sell them anything. A good salesperson is quick to discern this type and acts accordingly."

"Does the public appreciate this policy?" I asked.

"Indeed it does!" he responded. "Living up to the spirit of that slogan has created good-will beyond measure. We are getting our business with less effort than ever before, and we are selling a satisfactory percentage of our own goods. We turn more casual customers into regulars, and we all enjoy working in the atmosphere of cordiality and friendliness rather than that of resentment and antagonism."

BETTER FIGURES *make* BIGGER PROFITS

A sale—and then its responsibilities

WHEN BURROUGHS installs a machine in your business, Burroughs considers that its responsibility really just begins.

From time to time a Burroughs man drops in just to see that your installation is running smoothly and giving its full quota of service every day. Perhaps on one of these visits he can show you how that equipment can solve a new problem that has come up in your business. Possibly his contact with other concerns similar to yours has suggested further figuring economies which he can pass along to you.

Furthermore, Burroughs figure experts are always at your command to give you advice or counsel in handling any figure problems which may come up in your business.

This broad interpretation of Burroughs Service, together with the day-after-day durability built into the machine, insure you years of satisfactory service from every piece of equipment bearing the name Burroughs.

Burroughs

ADDING • BOOKKEEPING • BILLING • CALCULATING MACHINES

WHEN YOU BUY A BURROUGHS YOU BUY MORE THAN A MACHINE

Congress in Quest of the Facts

MUCH WATER has gone over the dam at Muscle Shoals since senators foregathered to hear bidders for the business there. But how many human wrinkles has it ironed out, as water flowing over dams, or under bridges, is popularly quoted as doing? Not the woes of our national lawmakers, certainly. They are just as real today as they were when "Dr. Charles L. Parsons, Consulting Chemist," told senators, in substance, that the salaries of \$7,500 which they had fixed for certain chemists, or engineers, or engineering chemists, or chemical engineers—people of that sort, whom Muscle Shoals could use—were three or four times inadequate.

THE CHAIRMAN: If I were selecting them and I could get a man like Mr. Ford, although he is neither an engineer nor a chemist, I think I would pick him as one of the men to handle this great concern, and I believe I would be competent myself to handle that thing, although I am getting only \$7,500 a year. . . .

DOCTOR PARSONS: I know, for I worked for the U. S. Government eight years of my life. You are doing it the same as I did, solely for the personal satisfaction of accomplishment.

THE CHAIRMAN: Yes, sir; yes, sir.

DOCTOR PARSONS: Nothing else.

THE CHAIRMAN: Now, could you not get these men, and give them this life job?

DOCTOR PARSONS: No; that is commercial business.

SENATOR NORBECK (S. Dak.): The marble halls are missing; is that it?

DOCTOR PARSONS: Government service has its advantages and disadvantages. It seems to me sometimes as if the men who were doing the best work in some of the departments are the ones who are blamed and receive the most criticism. . . . Take an investigation such as Colonel Joyce has had to go through with. . . . I suppose these army officers get used to being "bawled out" all the time.

THE CHAIRMAN: They do not get bawled out half as much as senators and congressmen.

SENATOR NORBECK: But we can bawl back.

DOCTOR PARSONS: But the satisfaction of accomplishment is the only emolument that you can get from the government service.

Better a Job in the Coast Guard Than to Dwell in the Tents of Congress

NOW, in addition to the self-sacrifice involved in the acceptance of a government salary, it would appear that statistics tend to throw a congressional career, more particularly, into the category of dangerous occupations. Hear Representative Huddleson (Ala.), apropos of things said in debate about the heroic but underpaid Coast Guardsman:

The average officer with whom we are dealing in this bill is a higher paid man in the essential aspect than a member of Congress. I would rather have the lifetime, permanent position of one of these officers—with its retirement privileges, its longevity pay, and other financial advantages—than have the salary of a member of Congress, with its accompanying burdensome obligations to contribute to charities, churches,

Light on Many Things Thrown by Incandescent Intellects at Committee Hearings

lodges, and organizations of every kind whatsoever—referring now to purely legitimate calls, and not to the demands of political bums and grafters. Why, we can not even offer to run for Congress without some measly little political committee in our district or state demanding that we should pay them a price even for the poor privilege of getting our names on the ticket.



We have heavy expenses for travel and living away from home.

MR. MOORE (Va.): . . . I would rather be here than in the Coast Guard.

MR. HUDDLESON: I will say this to the gentleman also, that the rate of mortality in the Coast Guard is less than it is in the House.

MR. CLARKE (N. Y.): Political or physical?

MR. HUDDLESON: Both. The gentleman from New York has not been here long, and there will be enough of political mortality to advise him on that subject very soon.

Wherein Grave Solons Hark Back to the Days of Their Youth

THERE are moments when it appears to the member of Congress that times are not what they once were. Some talk was going on in the

House late last session about the proposed requirement for a federal license in favor of migratory birds, providing, among other details—and this is quoted only as an illustration of bill-drafting art—that "no person shall take, hunt, pursue, shoot, capture, trap, snare, kill, disturb, or attempt to take, hunt, pursue, shoot, capture, trap, snare, kill, or disturb any fish, wild animal, or wild bird, or collect, destroy or disturb any nest or egg of any such bird on any land, water, or land and water of the United States which has been or may hereafter be set apart," and so on.

The point is that discussions on matters of this sort stir the poetry in the soul and turn the congressional mind back to the good old days.

"I have not forgotten," said former Representative Mondell (Wyo.),

and I shall never forget the time when, as a small boy, I traded 24 muskrat skins for a single-barreled, muzzle-loading shotgun and made

out of an old horn a powder flask and out of an old piece of rawhide a shot pouch . . . and went forth to hunt migratory birds. I did not get many. They would have had to be very tame and gentle to have enabled me to get many of them with that sort of artillery, but I got some. Occasionally I brought home a duck, and thank the Lord I was not called upon to go to the postoffice 10 miles away and take out a federal license . . .

But Mr. Graham (Ill.) had also

thought back 30 or 40 years ago, of the time when I was a boy in Illinois. There, on a little farm that my father owned and where I was raised, in the meadows I could hear in the summer time the golden plovers whistling. There in the morning, I could hear the drum of the prairie chicken. There, on the creek and streams, were ducks and wild fowl everywhere.

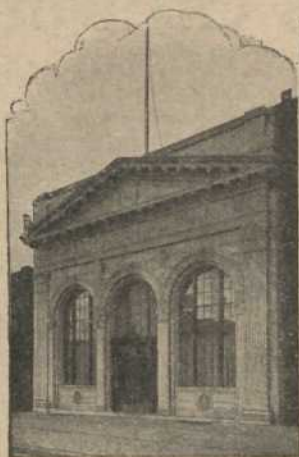
And I took my old muzzle-loading gun, which would shoot harder backward than it would forward, and went out hunting with the other boys. Nobody said, "You cannot come here," or "You cannot go there." . . . The years have passed on, and now your boy and my boy are growing up, and what do they find? The prairies have no game, as they had in those days. Today the duck flies high and flies past. . . .

But a kicking gun was never a vainer thing for safety than poetry in a prosaic world. Here comes Mr. Wingo (Ark.):

I followed him (Mr. Graham) as best I could in his poetical flight, but the gist of his argument on that point seemed to be that he wanted the boys of this generation to enjoy some of the wild life that he enjoyed in his day. Well, I thought this was a game preserve bill, a migratory bird law. . . . Some gentleman suggests that the title ought to be changed, because it really now contemplates that the public will get shot and provides federal licenses for shooting the public.

"Seriously," however, Mr. Wingo would "try to stop the onward march of the absolute doing away with the states and piling everything on to the Federal Government. Why, gentlemen, there are some people in this country—charming, delightful people, who make nice social companions in the parlor—who, if they had their way about it, would compel you to take out a federal license to kiss your own wife, and they would do it under the public welfare clause."


Mr. Ward (N. C.) drew a picture of a federal court sitting on a bird's egg or a disturbed fish. "Yes; disturbing a fish, or getting wrongfully, as he may insist, into possession of a single bird egg. If that boy has one single bird egg found in his possession, this bill requires the federal judge to sit on the bench and issue a judicial decree determining the title to that particular egg. What an imposing, stupendous, and inspiring spectacle to contemplate! A federal judge sitting with district attorneys around about him while the public looks on in amazement and wonder, determining the question to the title to a bird egg between the boy who found it in the waters of a marsh and the Agricultural Department of the United States."



First National Bank, Lake Geneva, Wisconsin. (above)

Citizens Trust Co., Terre Haute, Indiana. Both recently designed and constructed by Hoggson Brothers

THE HOGGSON
PRELIMINARY
SERVICE



FOR BANK BUILDINGS AND
BANK & OFFICE BUILDINGS



This booklet describes

The Preliminary Architectural Service
offered by Hoggson Brothers

IF you are weighing the relative advantages of an individual bank building and a bank-and-office building—if you are balancing the merits of one building site against those of another—if you would like to secure a reliable analysis of the probable investment return from a proposed office building—if you want more room or require an addition to your building—if you would like the advice of specialists in the planning of a banking room—if you have an irregular lot to build upon—if

you would like to consider the possibility of using only a portion of your lot for the office section of your building—if you desire a monumental building but must also realize some income from it—if you wish the individuality of design

which distinguished architectural talent can produce—or would like to know how to secure reliable information as to final cost with preliminary sketches—we suggest that you send for the above booklet which will be gladly mailed upon request.

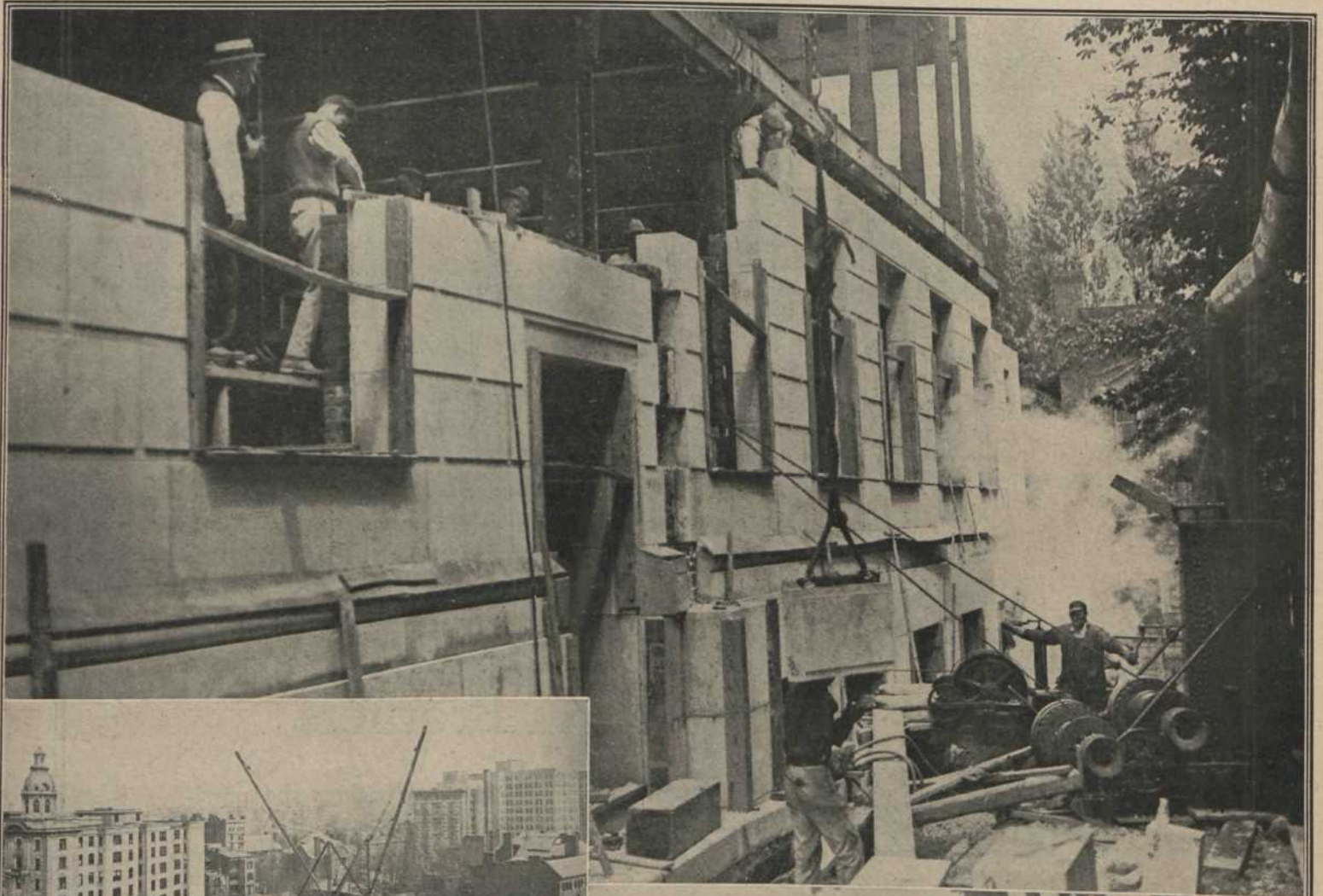
THE HOGGSON ORGANIZATION		
I	II	III
Architectural designs, bank plans and working drawings	Office Building investment surveys	Building construction, banking equipment, decorations & furnishings
485 FIFTH AVENUE, NEW YORK FIRST NATIONAL BANK BUILDING, CHICAGO		

HOGGSON BROTHERS

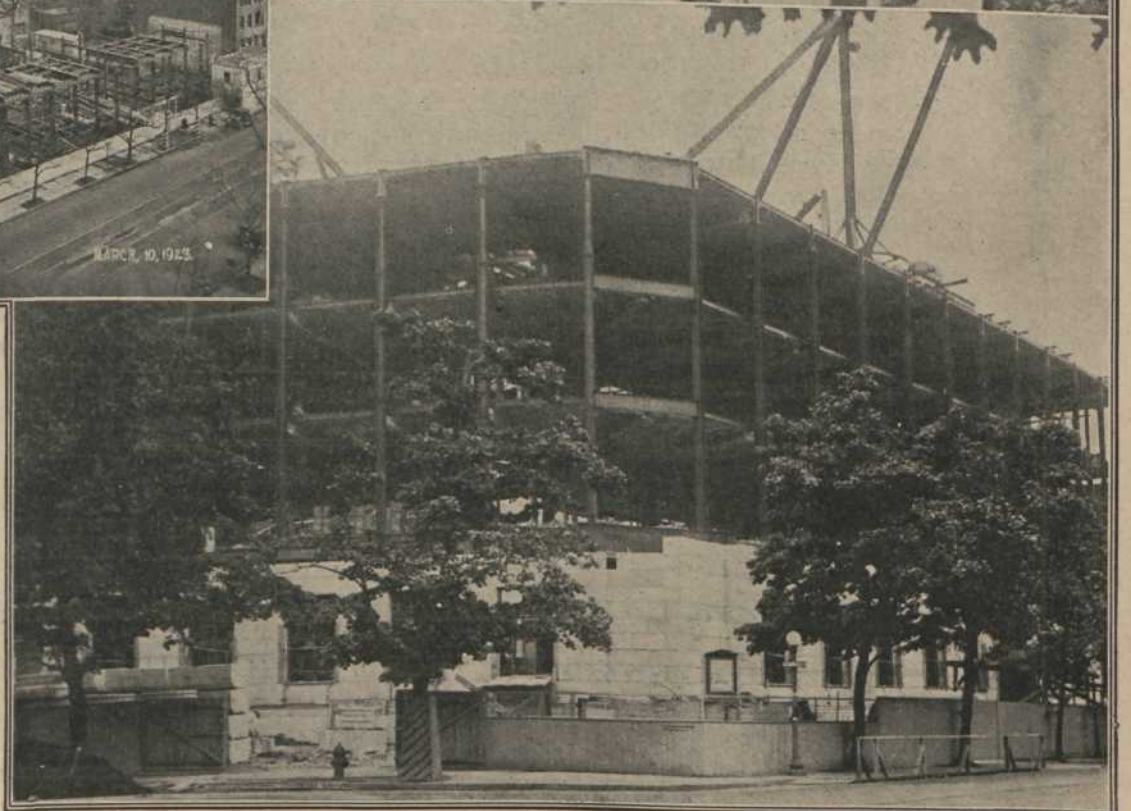
Architectural Design and Building Construction

BANK BUILDINGS • OFFICE BUILDINGS

G. H. Q. of American Business Growing Fast



The pictures show four months' progress on the new building that will house the United States Chamber of Commerce at Washington. On March 10, when the small photograph was taken, the steel skeleton was under way. The other two pictures were taken July 2, when the Indiana limestone walls had risen to the second story, the tile work on floors and roof was finished and the plumbing and steamfitting were well ahead.



"The pines come down from the mountains for homesas the cedars came down from Lebanon." *John Muir*



THE HERITAGE OF LEBANON

AS by a mighty wind blowing westward, the great forests that once covered vast areas of the American continent have been levelled with amazing swiftness.

Those of the eastern seaboard are almost gone, and those of the lake region are fast going; in the South the days of the forest kings are numbered.

From east to west the wave of depletion has swept. Until now, in the mountain giants of the Pacific Northwest we contemplate our last great conifer reserve.

Like the cedars of ancient Lebanon, the Pacific Northwest's fir, pine, spruce and hemlock are becoming the primary source of lumber for the builders of a nation.

Into the Pacific Northwest the cream of the lumber industry is moving bodily—and there is growing gigantic. Saw mills and lumber camps operate on a scale of unprecedented magnitude. They employ an army of 150,000 men. The value of their yearly output totals the immense sum of \$400,000,000.

And here, as has been true in other sections, the logging crews are the pioneers of a general manufacturing development. Large and thriving cities with a per-

manent economic support in lumber products and paper are springing up.

The entire industrial and commercial life of the Pacific Northwest has been stirred by the awakening of the lumber colossus.

* * *

Almost half of all the timber in the United States stands today in the Pacific Northwest. A thousand billion feet, or enough to rebuild three times the sixteen million frame houses in this country. A tremendous resource, surely; and with proper reforestation, a permanent one. But by no means the most impressive.

Consider the Pacific Northwest's millions of

acres of fertile land, unlimited water power, unmeasured mineral wealth; its seaports facing the orient and a boundless future commerce; its fisheries, grazing lands, fruit lands—

But vision all these in the light of this fact: *The Pacific Northwest is growing five times as fast as the rest of the United States.* And, though the rigors of its pioneer days have long since vanished, it is still young, still new—still but on the threshold of its future great estate.

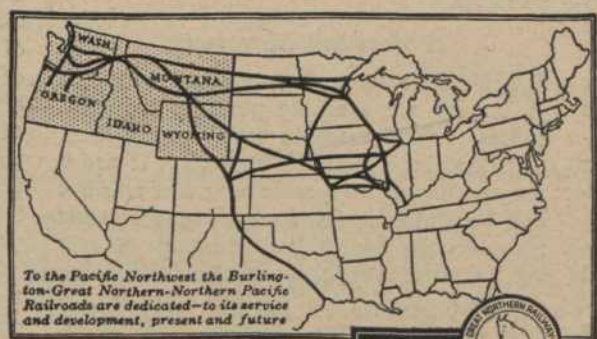
Today the Pacific Northwest holds out the fruits that energy and initiative have always reaped in a rich, swiftly developing land—to the farmer, the industrial worker, the manufacturer, the merchant, the man with capital to invest—

To every man who yearns to get a start at the start of things.

Write for interesting booklet, "Timber Billions of the Pacific Northwest".

Address: P. S. Eustis, Passenger Traffic Manager, Chicago, Burlington & Quincy R. R., Chicago, Ill.; A. J. Dickinson, Passenger Traffic Manager, Great Northern Ry., St. Paul, Minn.; A. B. Smith, Passenger Traffic Manager, Northern Pacific Ry., St. Paul, Minn.

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To the Pacific Northwest the Burlington-Great Northern-Northern Pacific Railroads are dedicated—to its service and development, present and future

CHICAGO BURLINGTON & QUINCY R.R.
GREAT NORTHERN RY.
NORTHERN PACIFIC RY.

To the Pacific Northwest
THE LAND OF OPPORTUNITY

The Map of the Nation's Business

By **FRANK GREENE**

Managing Editor, "Bradstreet's"

BUSINESS, especially wholesale trade, is quieter than it was one, two or three months ago and there is a good deal of pessimism expressed in some speculative lines but retail trade is fair to good, industry is active and employment except in a few lines still claims practically every willing worker.

Conditions in fact are far from deserving the poet's designation of the "short and simple annals of the poor" because in the first place, conditions are too varied to be summed up in any short description and in the second place, they are not poor but in a majority of lines are the best on record at this time and, except possibly the two great surgingly active periods of the past spring and last fall, are better than in any but the best periods of past boom years. This too, three months after the displaying of the cautionary signals of late March.

The fact appears to be that while these cautionary signals were aimed largely at the pushing-up of prices and costs to a dangerously high point, and there is no doubt these signals and admonitions were thoroughly deserved, the effects of the warnings are visible clearly in every direction except in the afore-said costs which, except for a trifle more than seasonal decline in prices, are as high as ever.

This is due perhaps to the immense volume of employment offering and some of it to the wave of wage advances or demands for advances that signalized April and May and which are still cropping up in the coal and building industries. The decrease in wholesale prices and the failure of retail prices to advance further, may perhaps be attributed to the more mobile character of trade as compared with other lines of endeavor. In other words, the business man and manufacturer has read the signs.

The evidence that the caution enjoined in March has been and is being obeyed is in itself one of the really encouraging features of the situation as showing a willingness on the part of some to reform before reformation is enforced by the punishment which usually follows excesses. "Labor," to use a one-time familiar slang phrase, is "sitting on the world," while at the other end of the scale the farmer in the big surplus food-producing regions is depressed and sore, because at least two important products of his industry, recent year high levels considered, are very much depressed.

A review of the big outstanding features in June and the elapsed portion of July remind one of the story of the quarreling man and wife, to wit: that there was a good deal to say (which was said) on both sides. June was a month of downward reaction in prices with reduced dealings in both stocks and bonds, two large private banking failures not visibly connected with domestic trade aiding the decline; exchange rates with our leading customers abroad weakened; wholesale trade

quieted; prices of commodities declined as in the three preceding months, wheat and hogs suffering especially; and export trade, especially in our grains lagged.

On the other hand, Dame Nature after a bad fit of tears in early June, smiled upon the farmer; crop conditions improved; winter wheat harvest which promises to be only slightly below that of the year before was carried close to completion; higher temperatures stimulated better buying of summer goods hitherto retarded by a backward spring; mail-order trade showed large gains over a year ago despite the crippled condition of the farmer; most lines of productive industry, eastern cotton goods and shoe manufacturers excepted, kept close to or only a trifle below the peak; current building went forward at the full labor capacity of that industry, even if new plans fell off while failures fell to the lowest point in two years, even if liabilities which were swelled by a few banking suspensions were large and some sections of the West still reported increases over a year ago.

While a period of declining prices is notoriously apt to see buying discouraged, it is a fact that in one line that suffered, hogs for instance, low prices brought out better domestic and foreign buying. There was, it is true, an access of radical talk and some remarks and suggestions by certain "medicine men" who carry a full line of "patent panaceas" for all the ills that nature is heir to but there were also some sensible suggestions made by men having the good of the farming industry at heart which in conjunction with good hard sense on the part of the farmers themselves may avert some of the evils of over-production from which the American wheat-grower is apparently suffering. There seems to be a very reasonable prospect of a pretty good trade in the coming fall but with a general election impending next year, the tendency to caution as regards long-time commitments seems reasonable and indeed highly desirable.

A Forward Movement

WHAT measures of movement for the half year are available point to the great strides forward made in some leading lines. Stock and bond sales fell from May, 15 and 9 per cent respectively, and averages of railways and industrial stocks dropped to the levels prevailing in March and February a year ago, fifteen months' gains in prices thus being cancelled. Dullness at a decline has by the way sometimes been esteemed a significant sign in the stock market. Bonds sold off, too, an unusual development. Still sales for six months of stocks were only 4 per cent below a year ago while bonds dropped 32 per cent. Prices stiffened somewhat with the passing of June. Bank clearings for June slightly exceeded a year ago but this was due entirely

to gains outside of New York, clearings at the latter city dropping 7 per cent whereas the rest of the country showed a gain of 14 per cent. For six months of this year clearings are 6 per cent above those for the last half of 1922, and 10.7 per cent over the first half of that year and only 8.5 per cent below the peak first half of 1920. Car-loadings like clearings, are sometimes esteemed a measure of past business but it is worth noting that weekly loadings for June averaged nearly 1,000,000 cars, something never before equalled in the spring-time and only exceeded in the peak month of October of last year and of 1920.

Railway Earnings

GOOD car-loading returns in May prepared the way for an altogether excellent report on gross and net railway returns for that month. The Bureau of Railway Economics, analyzing the reports of Class 1 railroads to the Interstate Commerce Commission for May, shows that gross earnings were \$547,282,500, a gain of 21.8 per cent over May, 1922, while net operating revenue was \$89,999,600, a gain of 31 per cent over May a year ago and of 8 per cent over April this year. These earnings point to 6.33 per cent earned on tentative valuation against 6.50 per cent in April and 4.62 per cent in May last year.

Failures which have been often termed the decrees of the court of last resort in the business world, were lighter in June than in any month since the summer of 1921; and, for six months, were one-fifth less than a year ago while liabilities were one-fourth less than in either 1922 or 1921. The South led in number of failures but had a third less than a year ago and the northwest and far west were the only groups having more failures than in the first half of 1922.

Among the industries the showing made by pig iron, the basic element in the steel trade, is interesting. June output fell only 5 per cent below May while it was 55 per cent above June a year ago. Six months' production was 73 per cent above the first half of 1922 and 15 per cent above the first half of 1920. These immense gains over last and preceding years may be partially explanatory of the fact that pig iron prices have fallen \$4 per ton from the peak in April, while steel prices have sagged only slightly and then only in a few lines. Still steel output by the leading producers gained 63 per cent over last year.

Today, in mid-summer, after all the talk of trade recession, tin plate, wire and pipe mills are still under pressure from their customers to deliver goods ordered weeks or months ago, and this despite the reductions in unfilled orders reported for some months past.

Soft coal output has averaged over 10,000,000 tons a week since January 1 and the six months' total, 273,000,000 tons is only 3.5 per cent below what it was in the first half



Lighting is essential to accuracy in White Sewing Machine plant

"We regard lighting as one of the most important cogs in our production machinery. Without good lighting, we could not hope to keep up with our present production schedule, neither could we expect our workmen to attain the requisite degree of accuracy. Our work must have a generous supply of the right kind of light. We would never drop back to the old standards."—Oscar Grothe, Works Manager, White Sewing Machine Co., Cleveland, Ohio.

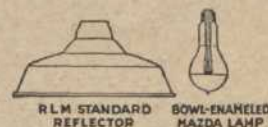
If your annual use of lamps is \$150 or more, you are entitled to a contract price that will substantially reduce your lamp bill. Mail the coupon for full details of contract plan.

Send for booklet: "Cutting Factory Costs with Lighting," telling how to make inexpensive improvements in lighting, and giving the experience of well-known manufacturers.



Each of these labels represents a Sales Division equipped to give a complete lighting service.

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Use 200-watt bowl-enameled MAZDA lamps in the RLM type metal reflector shown above. Space 10 feet apart.

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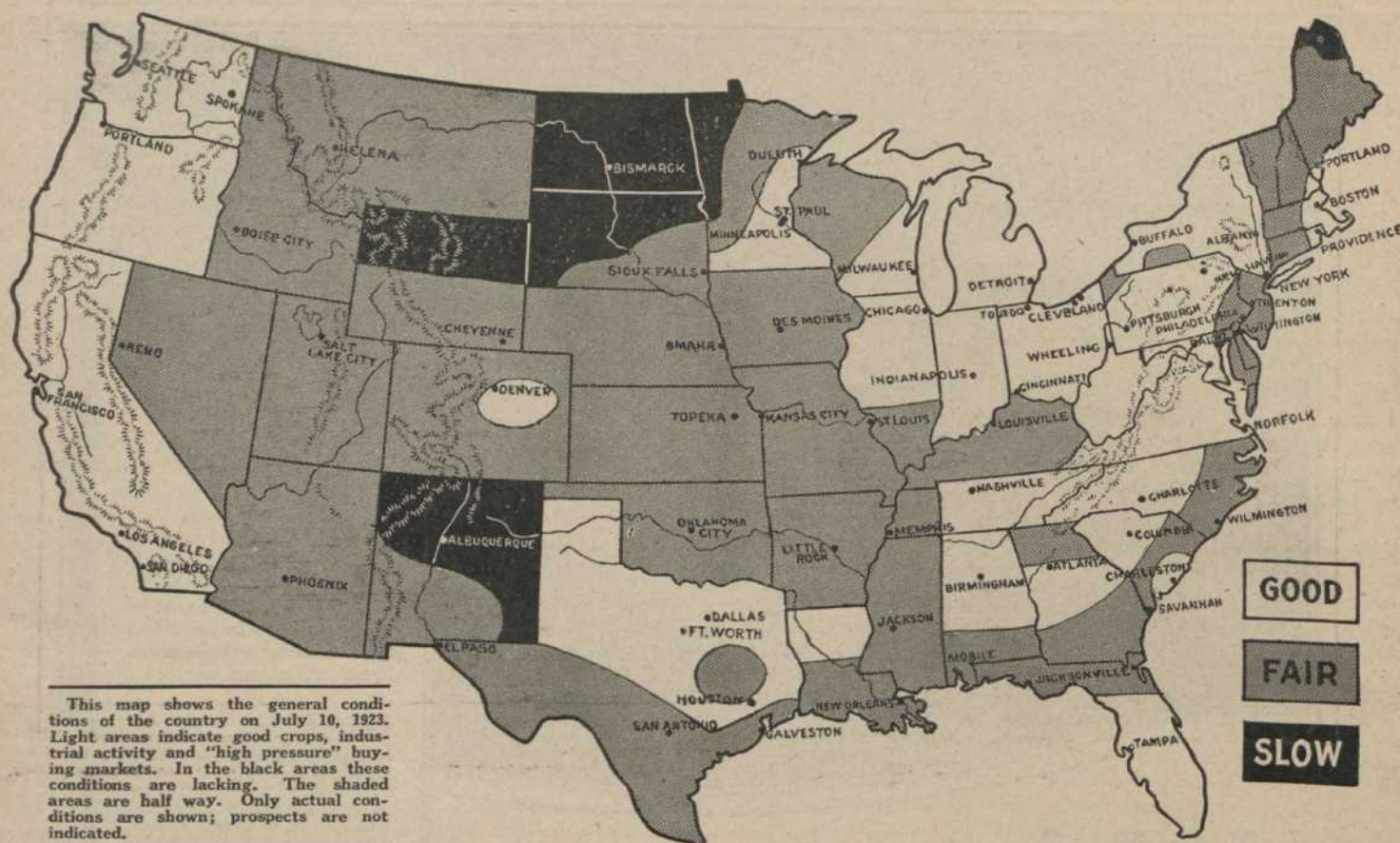
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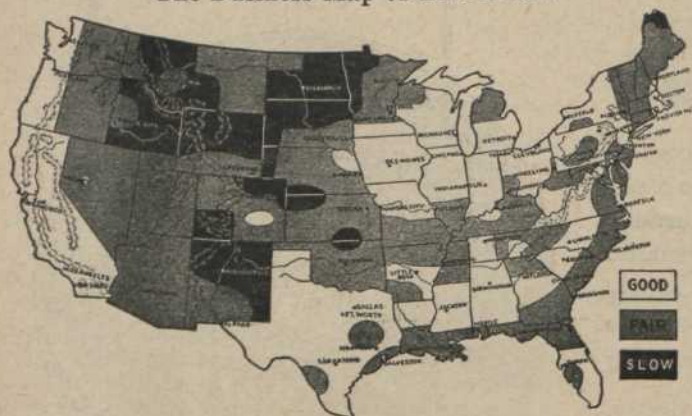
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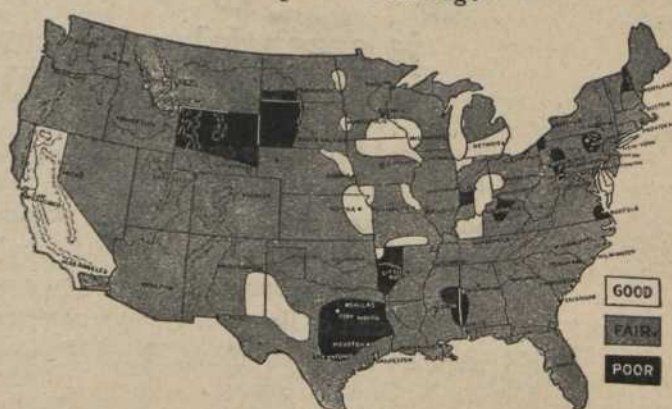
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The Business Map of Last Month



The Map of a Year Ago



of 1918, the last war year, and only a fraction of 1 per cent below 1917. Anthracite coal tonnage has averaged almost 2,000,000 tons a week since the year began and unlike soft coal, for which prices tend to recede, is strong. Six months' output is 51,374,000 tons as against 21,926,000 tons last year.

In that other great department of fuel supply, petroleum, the long-predicted falling off in production seems still in the future, output for the last week of June, 2,210,000 barrels, being the peak of peaks in production. This is due to the apparent impossibility of slowing down the output in California although, prorating of pipe line receipts and cuts of 50 per cent in prices have occurred. Northwest Oklahoma and other points in the middle west have been active producers also. Curiously enough, Wyoming prices are said to have been marked up lately.

New building permitted for at 153 cities in

June sagged below the total for May and for the first time in over two years, or since April, 1921, shows a decrease from the corresponding month of the year before. The total expenditure at 153 cities for June totals \$225,090,818, as against \$245,714,752 in May at the identical cities and \$234,296,872 in June a year ago. There is here seen a decrease of 8.4 per cent from May and of 3.9 per cent from June a year ago. For six months of the calendar year, however, building expenditures permitted for totals \$1,610,000,000, a gain of 31.7 per cent over a year ago, which in turn gained 73.5 per cent over the like period of 1921.

In no single line was caution more observable than in the case of buying of cotton fabrics, this by the way, not from retailers but from first hands. Reasons for this lay chiefly in the contrast afforded between prices asked for spot cotton (old crop) and

the new crop futures, due on the one hand to straitened supplies of old crop cotton and on the other to the better outlook for the new crop.

Pretty much all through June and July, spot cotton prices were 4 cents or more above the October delivery. Facing this disparity, buyers took only what goods they had to, while mills in turn endeavoring to induce buying, shaded quotations for printcloths, gray goods, sheetings and other staples. Cotton goods declined 10 per cent while raw cotton fell 7 per cent from the April peak to July 9. Curtailment of production was widespread at eastern mills.

Contrasting with the sag at first hands was the really active buying of light summer wear, dresses, etc., from retailers and jobbers. The government crop report of June 1 accentuated the indisposition to buy or manufacture freely for the future because showing

a very small reduction in condition in June, a gain in area of 12.6 per cent to the record total of 38,287,000 acres and a possible yield of 11,412,000 bales against 9,761,817 bales a year ago. As a sample of what the advance of cotton prices above a year ago has meant to cotton growers the government report on area planted certainly was instructive.

Among the other textiles features in June were the deadlock between wool buyers and producers in the west which stopped purchasing, which was active earlier in the spring, this foreshadowing probably extensive consigning. Prices at the London sale late in June were reported easier as a whole with many lots withdrawn because of lower-than-expected bids offered. Wool manufacturing was active on fall and winter orders. Somewhat higher prices than ruled for fall are looked for at the opening of spring styles in July. Unsteadiness of raw silk prices and slow buying of goods are reported with imports of raw material in June the lightest in fifteen months. Approximate takings by mills were larger than in May but with that exception the smallest in a year.

The Price Decline

SO FAR as mail-order sales may be considered an indication of final distributive trade, that branch of business certainly seems to have done well. Sales of two leading houses for June were \$24,945,353, a decrease of 14 per cent from May but a gain of 27 per cent over June a year ago. This latter gain seems moderate when compared with the increases of 37 to 40 per cent in the preceding five months but it might be recalled that mail-order trade last year showed good gains from May onward and reduced percentages of current trade are largely due to comparisons with good totals a year ago. For the half year sales total \$171,214,277, an increase of 37.7 per cent over last year. Six months' sales in 1920 totalled \$199,766,456 which indicates a decrease this year of 14.5 per cent, but if allowance is made for the lower range of prices as compared with say July, 1920, since which date prices have dropped 32 per cent, the decrease here shown is seen to be more a decline in prices than in volume.

For the fourth month in succession price index numbers moved lower in June, the decline being 2.2 per cent as against decreases of 2 per cent each in April and May. The decline from the March 1 peak is 6 per cent but prices are still 5 per cent above July a year ago and 23.2 per cent above the June 1, 1921, level, when quotations were scraping on the bottom after the great deflation of 1920 and 1921. Compared with February 1, 1920, the July 1 index number is 37 per cent lower but the rise over the index number of August 1, 1914, is 50.2 per cent. Twelve out of thirteen groups moved lower in June, and only eight important products advanced, while 47 declined. Provisions, metals and hides and leather showed most weakness. A possibly significant feature was that the weekly food index went up in the first week of July, the first advance since February in this line.

Two products stood out sharply in the June decline: hogs, which at \$6.70 per 100

pounds were at the lowest since 1915, and the lowest in June since 1911; and wheat, which dropped under a dollar for July delivery at Chicago. Hogs have rallied 50 cents and seem better. The break in hogs and nearly all pork products seems to have been a result of the advice given farmers some time ago that they would get more from corn fed to hogs than then would for the grain. Corn in June, however, sold up to close to 85 cents for July with the country buying grain in Chicago.

At the risk of being thought to be giving advice to the farmer it might be well to point out that this country never raised over 800,000,000 bushels of wheat previous to 1914, that war buying absorbed the big yields of that year, 891,000,000 bushels, and of 1915 when 1,025,000,000 bushels were raised, while the 1918 and 1919 crops of 921,000,000 and 951,000,000 bushels, respectively, were disposed of to countries short of food following the war. Since the first years following the war, several countries whose wheat-fields were turned into battle-fields have come back into grain-growing and this year that continent is said to need less wheat than last year while producing countries are said to have at least 100,000,000 bushels more to offer. This country in the eleven months ending with May, exported only 209,000,000 bushels of wheat and of flour reckoned as wheat, 52,000,000 bushels less than the year before, Canadian wheat apparently taking its place. Certainly Canadian wheat exports from United States ports since October have exceeded those of American. In the calendar year 1922, Canada exported 252,000,000 bushels while this country shipped only 232,000,000 bushels and whereas Canada's exports gained 72,000,000 bushels over 1921, ours fell off 123,000,000 bushels from that year.

Just what Canada has done in wheat-growing in a few years is worth recalling. In 1901 that country's total crop was only 55,000,000 bushels and Saskatchewan produced only 5,000,000 bushels. Last year Canada raised 400,000,000 bushels or a little less than half of our crop of 863,000,000 bushels with Saskatchewan turning out 250,000,000 bushels. So far as can be seen the prospects favor a vastly increased yield in the years to come in the Canadian northwest, which has an abundance of new land to throw into competition with the higher-priced land to the south of the line.

The Wheat Grower's Problem

AT THE conference called by governors of surplus wheat-growing states in the third week of June, a variety of suggestions were offered. Cooperative marketing, a pool to handle the crop, feeding of wheat to pigs, encouragement of the increased use of wheat by consumers and the use of government money to stabilize the price were all advanced as possible aids.

As to some of these it may be said that cooperative marketing hardly seems the way out when a burdensome surplus is competing with the cheaper-grown wheat of other countries; feeding of dollar or better wheat to pigs would probably not result in any higher hogs and "stabilizing" the price of an article has

been tried by other countries with indifferent success. Furthermore, it might result in the Government aiming to do this, being left to hold the bag while other countries cut under its stabilized price. Perhaps the best that can be done, pending a readjustment of production to fit more nearly domestic needs would be to try to arrange the marketing of the crop in such a way as to aim to prevent congestion in marketing and a consequent too great a sacrifice in values, if this latter is possible.

The Crop Outlook

IF THERE is no coal or shopmen's strike to congest traffic such as occurred at the height of the wheat crop movement last year and the railways are able to handle it, it is possible that a good part of this year's yield may be disposed of before Canada's possibly immense yield comes to market. As to the future a greater diversification of our crops such as was suggested to the south some years ago might be tried to the end that the western farmer might escape from his thankless job of raising in a closed market excessive surplus supplies which have to be sold in competition with the entire world.

The late cold spring did not permit of a very good start to crops, but conditions are generally agreed to have improved after mid-June although the government report on crops for July 1 fails to show any improvement from June 1 to July 1 in condition except in winter wheat. The prospect is irregular as a whole.

Increased areas were seeded to cotton, corn, oats, barley, tobacco and flaxseed, whereas spring wheat, rye, potatoes, rice and hay showed decreased areas. Condition as of July 1 was better than a year ago only in oats, barley and apples while below last year in rye, potatoes, flaxseed, rice, hay and cotton, wheat and corn showing little change. Translated into estimates of yield, winter wheat and corn are little different from a year ago's good out-turn but good-sized decreases are predicted in spring wheat, rye, white potatoes, rice and hay, while good increases are predicted in oats, barley, tobacco, flaxseed and cotton. Farm prices as of mid-summer are irregular, wheat, potatoes and rice being lower while the rest of the staple crops are higher, the basis of current sanguine estimates of increased values of crops being largely in the higher present prices of corn and cotton.

The yields of the six cereal crops total 5,282,000,000 bushels against 5,277,500,000 bushels a year ago, which if realized, guarantees enough and to spare of these products. As to values of these crops, it seems a trifle early to speak.

Free and Easy Minting

MINTING COIN seems to be a business enterprise in China which does not observe the business ethics of western countries. A Chinese mint appears to be run for profit by the persons who happen to have charge of it. So it has recently come about that one Chinese mint has actually counterfeited the coinage of another.

The Weather, the Crops and Business

By ARCHER WALL DOUGLAS

ONE OF the interesting phases of the present situation is the evident concern which is felt in some financial and economic circles over the recent gyrations of the stock market because of the fear that it forecasts unfavorable conditions for the coming fall. Just why anyone should take this matter seriously has always been a matter of wonderment, not unmixed with amusement, to the average man, especially if he be outside the atmosphere of the great financial centers. But traditions and superstitions die hard in the financial and economic worlds.

Meanwhile the real barometer of the situation, the weather as related to the crops, is moving after that orderly fashion, which, some sixty days ago, I said would characterize it during the latter days of June. Local thundershowers have largely succeeded general rains, but the effects of those torrential spring downpours are still felt in certain sections, notably in portions of Arkansas, Mississippi, Oklahoma, Georgia, Florida and South Carolina.

In such localities the stand of the cotton plant is poor and late, and the fields are infested with weeds and grass. In sections of the Cotton Belt, where the scarcity of labor is acute, the town and small city population are voluntarily going out into the fields to chop and hoe cotton ere it be too late. These stricken sections are fortunately but a small percentage of the entire belt, and in the remainder there was great progress made during the past 30 days. Yet with all this, there is not the slightest chance of the government estimate of early July being realized as to the probable ultimate yield of cotton. Boll-weevil are increasing in great numbers in those sections where rains were most abundant and persistent, and have begun to do appreciable damage.

The Cotton Estimates

FORECASTS of the ultimate production of cotton must be taken as mere estimates because of the extraordinarily spotted condition of the crop, not only in the Cotton Belt as a whole, but equally in the same state. This is true of all the cotton-growing states, save Arizona and California, where irrigation prevails and where there is no boll-weevil infestation.

Even in Texas, where the prospect is so generally good, the late-planted cotton is in a bad way in the districts where rain is badly needed. There is but little real knowledge to be had from that solemn farce of an average general condition expressed in the refinements of decimal fractions. The actual state of 34 million acres of growing cotton as estimated by thousands of observers is not capable of such minuteness of definition.

Corn is an equally spotted proposition. There is less of it growing in the Southern States than at this time last year, and while it made much progress lately it is having a

hard time in the lowlands from the weeds and grass which came as the result of incessant rains in the spring. There appears to be a larger acreage in the grain states than twelve months ago, but here again it is a matter of widely varying conditions. It is so much better off however than during June that it seems likely that we shall have a very good crop unless an extensive and intensive drought in July cuts short the present encouraging prospect. Unless such drought be well under way by the middle of July, its power to do serious damage will be much limited. A large corn crop this year will be the fifth in succession and will break all the records of the past for continuity of yield should the present outlook be fulfilled. Each year sees an increase in the cultivation of corn in the spring wheat states along the Canadian border and an extension of its growth in northern latitudes.

The harvest of winter wheat is over and when all the returns are in its volume will be found to have been overestimated in the early reports. While the spring wheat crop is generally in good shape, there are some bad spots in it, especially in portions of Central North Dakota. The yield on the whole will not be so large as last season. Yet we shall have all the wheat we need, and more, for the real problem is whether the export demand will take of our surplus. Farmers are very slow to market their wheat at present unremunerative prices.

The story of the minor crops, and of fruits and vegetables is that we shall have a plentiful supply though not so overflowing as last year. Prices are generally better than a year ago, which is the matter of most moment to the farmer.

The completion of the harvest will bring improvement in the greater part of the spring wheat states, and in general in the Mountain and Plateau States this side of the Sierras and the Cascade ranges. Crops are bringing somewhat better prices locally on the whole than a year ago and there is not the same tragic story of great production in some sections for which there was no market at any price.

Live stock throughout the country is in fine condition but prices are not especially attractive to the owners. It will take the slow process of time to work this out in the way of regulating supply to demand. The story of hogs is illustrating this by an enormous breeding of spring pigs this year in response to high prices of hogs and the gradual decline in price as the supply came upon the market.

There is at present no outlook for other than moderate prices for farm products during the coming fall, except in cotton, and this exception should mean good times in the South for the remainder of the year. On the other hand, there has been a distinct halt in the advance in prices of manufactured fabrics, followed by recessions, as those who were en-

gineering such advances without due warrant found that they could not get away with it. The sober sense of the country took alarm at the folly of the attempt, and the consciousness of this widespread sentiment was in fact one of the most potent factors in bringing prices back to a more natural level.

All industrial life felt the temporary lull in the activity in business which ensued, and have come to recognize it as the most needed thing to bring about a more sustained and healthy state of affairs. If farm products cannot go in equality of purchasing power to the Mahomet of industrial production, then the Mahomet of industrial life seems to be on the way to the mountain of farm products so far as better coordination of respective purchasing power is concerned. And in this prospect lies the best hope of sound and wholesome business and in good volume for the rest of the year.

Chamber Man to Head College

ANNOUNCEMENT has recently been made of the election of William Mather Lewis, chief of the Education Service of the National Chamber's Civic Development Department, to be president of George Washington University. Mr. Lewis succeeds William Miller Collier, who resigned as president of the Washington institution some time ago when appointed United States Ambassador to Chile. Dr. Howard L. Hodgkins, who has been acting president, will remain as dean of the department of arts and sciences.

Mr. Lewis, a native of Michigan, is a graduate of Lake Forest (Illinois) College, where he received the degree of A.B. in 1900. From 1906 to 1913 Mr. Lewis served as headmaster of Lake Forest Academy. In his last year at the Academy Mr. Lewis was elected president of the Board of Education and two years later he was made mayor of the city.

During the war Mr. Lewis was called to Washington to aid in laying before the American people the facts in connection with this country's participation. As executive secretary of the National Committee of Patriotic Societies, he helped to combat enemy propaganda in the United States. He wrote the National Speakers Liberty Loan Hand Books for the United States Treasury Department, and as civilian advisor in the morale division of the army wrote education material for the men in the cantonments. Later he was appointed director of the Savings Division of the Treasury Department.

As chief of the Education Service of the Civic Development Department Mr. Lewis has written a series of pamphlets entitled "The Schools of Your City," which have been published by the Chamber of Commerce of the United States. As part of his duties, Mr. Lewis made numerous addresses before commercial and civic organizations on educational problems in relation to business.

THE INTIMATE RECORD

Written into the log book of every owner who has subjected his Lincoln to the rigors of cross country touring are the outstanding facts of Lincoln worth.

These intimate, day by day records tell of mile after mile taken without effort by car or driver—of abundant reserve energy ready at a touch for the unusual emergency—of notably competent service men ready wherever their aid may be sought.

It is by sparing nothing that can contribute to keeping the Lincoln capable of such sustained performance that the Ford organization has made Lincoln ownership an experience heartily to be desired.

Both in building the car and in providing service attention for it, it is understood that what the owner is entitled to have, not what he might be persuaded to accept, is to be the guide.

LINCOLN MOTOR COMPANY

DIVISION OF FORD MOTOR COMPANY, DETROIT, MICHIGAN



The Berline

L I N C O L N



When Business Took Up Arms

A Review of Grosvenor Clarkson's "Industrial America in the World War"

"TELL YOU," said Samuel Vaucrain, "you will go a hell of a long way before you will find men like our Americans and the way they worked together in Washington."

The quotation is from Grosvenor B. Clarkson's "Industrial America in the World War" (Houghton Mifflin Company), and we incline to endorse it save only the "hell," and that we have no doubt the distinguished president of the Baldwin Locomotive Works did use.

It's a refreshing book, this record of the work of the War Industries Board. Nearly five years ago the war ended, and since that time we have heard little but cries of "fraud" and "profiteer" hurled at the men who tackled the enormous task of giving the American soldier the material backing without which he could not fight.

Hear a little of the other side now. Take this story:

The Italian Government was in the market for 40,000 tons of steel billets, which were then bringing around \$140 a ton in the open market. Mr. Price McKinney, of the McKinney Steel Company, of Cleveland, happened to be in Mr. Replogle's office. They discussed the general steel situation and the Italian requirement. Mr. Replogle said that it was obvious that steel could not bring such prices much longer, and asked Mr. McKinney to determine a fair price for the Italian order.

"Write the ticket yourself, Replogle," was McKinney's answer. "Any price you name, profit or no profit, will be satisfactory to me."

Replogle figured and said he guessed \$45 a ton would be about right.

That was \$3,000,000 swept away, but McKinney stood pat.

That's only one of a hundred anecdotes that illumine Mr. Clarkson's book. Here's another instance of how quickly business reacted to the call of duty. There was a need of carbonate of potash for optical glass. C. H. MacDowell was one of the chiefs in the work of seeking out needed war minerals, and to him the scientists turned.

He recalled that the Armour plant, working on alunite, had turned in a few pounds of very pure carbonate; but the laboratory required two or three tons a day.

Before committing himself, Mr. MacDowell wired to his chief in private life, Mr. Ogden Armour, advising him that it would require an investment of \$30,000 by the Armour people, with no possibility of getting out even, to meet the optical glass requirements.

"What in the devil are you down there for?" was Mr. Armour's answer.

The local managers said it would take three months to install the plant. Mr. MacDowell gave them three weeks—and inside of that time the plant was producing a little over a ton a day.

Answering the call for steel was, Mr. Clarkson says, "an epic of the World War," but there was romance and drama in a hundred things. Here's how lumber mobilized itself in an emergency:

Late in the afternoon of September 14, 1917,

Charles Edgar, then of the old lumber committee of the Raw Materials Division, was called to the telephone at his office in the Munsey Building in Washington.

"Hello, Edgar! This is Hamilton (major in the Construction Division). Have you any pep left?"

"Yes; what's up?"

"A plenty. It's closing time and we've just got orders to increase the size of every cantonment in the country except one; five million feet of lumber for each camp."

"Are your schedules ready?"

"Yes; they are being typed now and will be finished within half an hour. We want to get the orders out tonight."

"All right," said Edgar.

He immediately called up the emergency bureaus of the southern pine, Georgia-Florida, North Carolina, and the Pacific coast lumber manufacturers and asked them to hold their office forces and have their respective chiefs meet him at Major Hamilton's office. There the schedules were obtained, considered and allocated to the different groups, which took them to their offices and reallocated them to their various mills. At two o'clock the next morning the job was done, and complete telegraphic orders were lying on the desks of all the hundreds of lumber executives involved when they came to their offices later in the morning. Before night of that day hundreds of cars, piled high with the specified lumber, were rolling to the cantonments.

Even now imagination balks at trying to visualize the demands that were made on American industry. How could a country that had been taught that the automobile was replacing the horse provide an unexpected million sets of harness at the same time it was being called upon to furnish 50,000,000 pairs of shoes, 3,500,000 leather jerkins and 7,000,000 pairs of heavy gloves for the army? Men thought and talked in millions. Nothing less would do. One day the cotton section of the War Industries Board was startled by a call for 100,000,000 yards of gauze. It happened that only 100,000 yards were needed, but the air was full of flying millions.

Who made the great personal sacrifices? Not always the dollar-a-year men, explains Mr. Clarkson. Sometimes the men who were hardest hit in their desire to serve "were able men of large earnings or salaries, but without sufficient savings to stand a long period without income. They accepted the small salaries, rarely ever more than \$3,000 to \$6,000, that it was possible to pay them and reduced their living scale accordingly. One man, for example, who had been drawing a salary of \$25,000 a year, lived in a hall room in Washington and patronized the cheap restaurants in order to serve the War Industries Board."

But the dollar-a-year men gave up, too. "Some of the men who were able to carry themselves did, however, make a tremendous sacrifice. . . . In Washington they lost opportunity, worked in obscurity and in some instances suffered undeserved disgrace. One

such executive gave up salaries amounting to \$85,000 a year and certain profits several times as large."

Here's how Bernard Baruch, chairman of the War Industries Board, hired Leland L. Summers, head of the Chemical Division:

As the two strolled in the woods on Baruch's South Carolina estate, talking of the struggle that was over there and was coming to America, Baruch offered the chemical engineer, out of his own pocket, the same salary he was then receiving to come with him into the Advisory Commission.

"How much do you get?" asked Summers.

"Nothing—and pay my own expenses."

"I'll go with you on the same terms," decided Summers. And he was not a rich man.

There is drama in the way that American business fitted itself into this new world. The question was not "What do you make?" but "What do we need?" and "Can you fill it?"

The carpet manufacturer could not make shells, but he could make blankets and duck. The dredging contractor who was ambitious to make airplanes, but could not, could excavate berths in shipyards. The makers of refrigerators could turn to hospital tables. Horseshoe makers could not make automobile tires, but over night they could take to making trench picks. The toy manufacturer thought he could make surgical instruments, but came into his own in packing-cases. When curtailment hit the stove business, it was found that the idle plants could be turned to making grenades and trench mortar bombs, which are largely casting jobs. The corset maker found that he could easily master belts for the Medical Corps and fencing masks. The piano factories and furniture men got their chance in the fuselages and wings of airplanes. The makers of automobile motors took to the Liberty engine like a duck to water. Even the talking-machine people landed right side up with facilities adaptable for the making of seaplanes. Shirtless shirt factories came in handy for sewing mosquito netting into required forms; and pipe-organ factories, strangely enough, were very good at making mosquito netting. Yacht makers were excellent on flying boats, and manufacturers of air brakes found they could master Le Rhone motors. These are but samples out of thousands of industrial adaptations to the requirements of war.

Mr. Clarkson's book is no unvarying record of unselfish patriotism. There were greedy manufacturers who wanted hoggish profits; there were men who fought priority orders that threatened to put them out of business.

But the cases of graft and the cases of rebellion do not loom large in Mr. Clarkson's graphic and readable story of "the American business man in action for a common end."

—W. B.

TRADE ASSOCIATION ACTIVITIES.

Trade associations have been studied by the Department of Commerce. The results are now obtainable in a volume of 350 pages.

The purpose of the study was to ascertain and illuminate those activities of trade associations which contribute to the public welfare. In the department's opinion, many associations rep-

To Go to Niagara— Come to Buffalo

There are some new and attractive reasons for including Niagara Falls—and Buffalo—in your vacation trip, this year.

One of them is the NEW Hotel Statler at Buffalo, where you can live in comfort and luxury, only twenty-two miles from the Falls, and take your choice of five different ways of making the short and pleasant trip.

The new Statler is on Niagara Square, where Delaware Avenue begins; it has 1100 rooms, 1100 baths—including 169 twin-bed rooms (from \$7, for two) and 104 parlor suites; single rooms are from \$3.50.

The former Hotel Statler is now known as *Hotel Buffalo*; and the old *Hotel Iroquois* has been closed.

Another reason for vacationing in this territory is 2000 miles of new paved highway through the Great Lakes country, from Toronto to the Northern Michigan resorts. This great playground offers almost any recreation you seek, and greater touring-comfort than ever before.

Stop at the Statlers

There are Statler Hotels at Buffalo, Cleveland, Detroit, and St. Louis, and in each of them you will find comforts and con-

veniences that will add greatly to the pleasure of your vacation. Each of these cities—as well as the nearby pleasure-grounds to which they are gateways—is well worth a long visit.

The rate per day (for one and for two people) of every Statler room is posted permanently in that room, printed in plain figures.

And Statler service is guaranteed to you—read the column at the right.



Statler Service is Guaranteed

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule—of treating the guest as the employee would like to be treated if their positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy the guest whom he is serving; and that if he cannot satisfy him he will immediately take him to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become a personal matter between you and me. You will confer a favor upon us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of the 6,000 employees, and there is no need that I should do so; but when our promises aren't kept, I want to know it.

My permanent address is Executive Offices, Hotel Statler Company, Inc., Buffalo.

E. M. Statler

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resent a profound institutional growth in our business fabric. By using the reputable cloak of trade associations for conspiracy in violation of the restraint-of-trade acts, some individuals have brought down criticism on trade associations generally, the foreword declares, and adds, "These criticisms have tended to obscure the constructive functions and the valuable work of many hundred associations in upbuilding the efficiency, ethics, methods, and services of American commerce and industry." To some of the activities of trade associations "we owe much of our industrial progress in many trades." Through other activities, "trade associations have greatly benefited their members and increased national efficiency. . . . Through activities in gathering statistics of production, consumption, stocks, and prices, where these have been made equally available to the public, they have contributed much to the stability of business and the diminution of speculation; in fact, many of the national barometers of business and credit which are vital to all business men in formulating judgment are the work of our trade associations."

These quotations from the foreword appraise the results of the study. The foreword also looks to the future, concluding, "There is an ample field in trade association work for activities of the highest public interest and of the most direct importance to each member of the trades, without any trespass upon the provisions of the restraint-of-trade laws. The vast majority of associations are engaged in activities that are constructive and are of public usefulness, and this department believes they should be encouraged."

The foreword is an epitome of the whole book. It is followed by a chapter written by the Secretary of Commerce himself, in the same spirit of encouragement for the development of activities of the sort which have characterized the outstanding trade associations of the United States. There follow fourteen chapters which have been prepared with the collaboration of officials of typical trade associations. At the head of each chapter appear the names of men who contributed from their knowledge and experience to make it both an accurate and an authoritative exposition. Besides, there was a general committee to help with the planning of the book; it had in its membership men who are recognized for their attainments in the development and direction of trade associations.

Statistics, the legal aspects of statistics, cost accounting, credit and collections, public relations, traffic and transportation, research, and the organization and administration of trade associations will serve to illustrate the subjects which are considered. There are other chapters outlining the parts of the Government having activities which particularly interest trade associations, and a full description of the services of the Department of Commerce, especially through the commodity and technical divisions in the Bureau of Foreign and Domestic Commerce. Even so, the material and the field were not exhausted. A history of trade associations in America, a short description of trade associations abroad, and a directory of national trade associations were placed in appendices.

The preparation of such a volume took time. Between the writing of some of the chapters and the date of publication there intervened many events. Such circumstances will account for a reference, for instance, to the so-called Linseed Case—correct when written but now not exactly according to the decision which the Supreme Court subsequently rendered. There are to be future editions, however, and they will afford opportunity for correction. Such a useful book, both for members of the public who seek light regarding trade associations and for trade associations which want help in their problems, is assured of future editions in abundance.

The book would probably have been issued with pleasure by any one of a number of publish-

ing houses. Being a government publication, bearing the imprint of the Department of Commerce, it comes from the press of the Government Printing Office. As sales agent for that institution, the Superintendent of Documents, Government Printing Office, Washington, offers copies at fifty cents each.

THE FEDERAL RESERVE SYSTEM, by Henry Parker Miller. Ronald Press Company, New York.

Completeness may be too much to ask of history as written by participants in events. The more engrossed a partisan has been in the fray, the more extensive are the "blind spots" he is likely to develop.

Blind spots obviously became very numerous and extensive in the expert of the House Committee which, a decade ago, worked on the bill which eventually became the Federal Reserve Act. One of these blind spots he turns upon the Chamber of Commerce of the United States. The work of the Chamber's committee in 1913, the referendum upon the committee's report, and the presentations accordingly made to committees of Congress apparently caused in the author only a feeling of irritation and irritation must have suggested hostility. So, having now taken his pen in hand, he asserts the Chamber was prominent in attempting to discredit the Federal Reserve Act in its formative stages. To the Chamber's committee, to the referendum, and the other important events and what they meant he is entirely oblivious. When he subsequently records that the President tendered appointment on the Federal Reserve Board to two eminent gentlemen he forgets that one of them was chairman of the Chamber's committee and the other was president of the Chamber!

Just the same, if there is anyone who would like to fight over again the days of 1913 when the Reserve Act was in the making, the book gives him the chance. There are close to five hundred pages of the details of legislative battle. Besides, there are as many more pages of description of events in the Federal Reserve System from the beginning to the spring of 1923.

Incidentally, there is some fun to be got out of the book. A good portion of one chapter is given over to dealing with the pretensions of numerous folk to complete or partial authorship of the Federal Reserve Act. This makes hilarious reading. In the course of this chapter a secretary to the President of the United States is disclosed as giving such "imaginative accounts" that he places the hottest day of June in December.

The shillalah is much in evidence, in the book. Its presence, and its choice of heads to break, very probably caused Senator Glass, who contributes a short introduction, to say:

"Entire frankness compels me to say that I do not share all of the author's impressions of the initial attitude of various public men who were, in one way or another, associated with federal reserve legislation, nor would I be willing to participate in some of the criticisms relating to the administration of the system."

The volume is rather heavy to the hand, but it will make good summer reading for the man who has had his fill of hot-weather fiction, and he will want it on his shelf for reference at times when he desires to refresh his recollection about the origin of the reserve system and its operation.

AMERICAN FOREIGN COMMERCE, by Avard Longley Bishop. Ginn and Company, Boston, Mass.

"Outline of American Foreign Commerce" is the complete name of this new book by Prof. Bishop, of the school of business administration at Yale. It is issued in part as a textbook for mature students of foreign commerce and in part as a broad, sound study for the business man.



This is not a book on practical exporting or export technique, but rather a book on the fundamental principles and the fundamental facts on which the foreign trade of the United States is based. Prof. Howard C. Kidd, of the Carnegie Institute of Technology, a few years ago wrote a good book in this same general field, but more elementary in character and dealing somewhat with matters of method and practice in foreign trade and going less into the subjects of production underlying foreign trade and less into international commercial policy.

Prof. Bishop's book in brief compass gives a very interesting discussion of the natural resources, the agricultural, animal and mineral industries and the manufacturing industries. He shows the relation between production and domestic and foreign commerce and the relation of the import trade to American production and export trade. Our transportation equipment, our marine insurance equipment, and our banking equipment for foreign trade are dealt with as important adjuncts to commerce, which results from geographical and economic conditions.

Much of the author's point of view can be had from the following quotation: "It should not be overlooked that the full complement of American shipping, insurance, and banking facilities at the disposal of our exporters and importers and complete cooperation between these three agencies will not necessarily assure to the United States a large and profitable volume of exports and imports. It cannot be emphasized too often that the more fundamental conditions determining the volume of our exports in the future are our willingness to buy from abroad and our willingness to make it reasonably easy for foreign countries to market their goods in this country. . . . Our export trade is likely to be large provided we are willing to buy liberally from abroad and provided no unnecessary obstacles are imposed by this country against the easy importation of foreign commodities."

The book gives an accurate description of the organization, governmental and private, in the United States, for the promotion of foreign trade, and is especially valuable for its chapters on commercial policy. This is a field covered incisively in a little book on "International Commercial Policies" by G. M. Fisk some years before the war, and now out of print. Prof. Bishop has carried this discussion up to date, with consideration of the most recent developments.

FISCAL FUNCTIONS OF THE FEDERAL RESERVE BANKS, by John M. Chapman. The Ronald Press Company.

A short history of the Government's financial system and an explanation of how its moneys are now handled under the Federal Reserve System.

CROWELL'S DICTIONARY OF BUSINESS AND FINANCE, by Thomas Y. Crowell Company.

A little more than a dictionary of business terms, for more than mere definition is attempted in places. Four pages are needed to describe "trusts." Even business slang is ventured on, and we are told what an Irish dividend is. Supplemented by handy statistical matter.

PRINCIPLES OF SALESMANSHIP, by Harold Whitehead. The Ronald Press Company.

Three hundred and fifty pages by a "professor of sales relations," on what a man should know, say and wear when he wants to persuade the other man to buy.

COOPERATIVE BANKING, by Roy F. Bergengren. The MacMillan Company.

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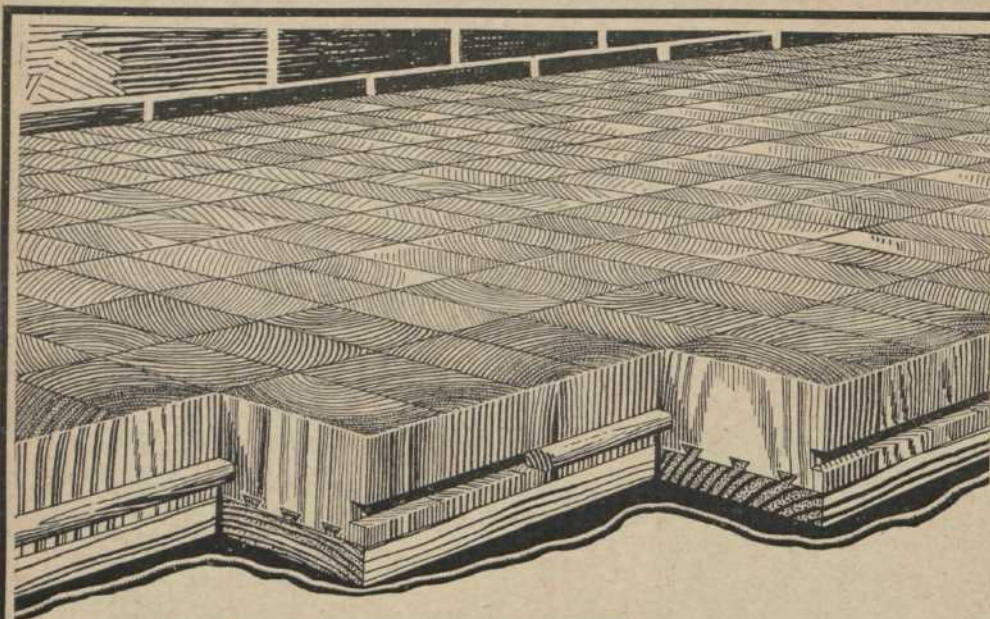
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Treasurers.....	5,808
Directors, Chairmen of Boards, Comptrollers, General Counsels, Superintendents and Engineers.....	4,682
General Managers.....	8,639
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	6,679
Major Executives.....	84,288
Other Executives.....	7,986
Total Executives.....	92,274
All other Subscriptions.....	16,843

If this is your market, we shall be glad to give you complete details.

THE NATION'S BUSINESS
Washington, D. C.

* Figures based on a complete investigation of all subscribers in twelve cities

plant—these are types of those who organize credit unions. The plan came to the United States from Europe by Canada. In his last chapter Mr. Bergengren suggests an economic conference of John D. Rockefeller, Jr., Henry Ford, Warren S. Stone, Samuel Gompers, Herbert Hoover, William G. McAdoo, Charles E. Hughes, Chief Justice Taft, Justice Brandeis, Henry S. Dennison, Charles M. Schwab and E. A. Filene. Let them, he says, retire to a secluded spot and settle the country's affairs—bonus, immigration, tariff and all.

RISK AND RISK-BEARING, by Charles O. Hardy.
The University of Chicago Press.

Novel in its group in one volume of a discussion of such seemingly different subjects as business forecasting, dealing in commodity futures, hedging and insurance, it comes with a little shock to be told that the favorite American speculation is trade in land.

How Count a Community's Wealth?

BUFFALO and San Francisco had almost the same population by the census of 1920. To be exact, Buffalo had 506,775 and San Francisco had 506,676. Yet Buffalo returned 54,720 income tax returns for the year 1921, and San Francisco 77,055.

These figures are here printed with no purpose to explain why they are so, but rather to call attention to new and very interesting figures printed in the little pamphlet called "Statistics of Income," and issued from the Treasury Department.

In addition to the figures usually issued, the department gives for the first time this year the number of personal returns for each county in the country, arranged by states, and for each city having a population of more than 5,000. The figure is arrived at in this way:

Index cards are prepared in the offices of the collectors of internal revenue for the returns of net income filed in each collection district. These cards are arranged by counties and cities, and the number is ascertained by measurement on the basis of a certain number of cards to the inch.

These county and city figures make available a new source of material to those who are fixing sales quotas or planning new selling campaigns.

To declare that the proportion of income tax returns to the population is a final index of a community's wealth might be too rash a statement, but it obviously gives some line. Next year the department will publish the number in each county distributed according to the sign of net income reported by the taxpayer and we shall have another index.

What is certain, is that there is a wide discrepancy between population and income tax returns in many cases. Take five counties in New York State with populations ranging from 30,000 to 35,000, and note their returns:

County	Population	Returns
Wyoming.....	30,314	1,023
Warren.....	31,673	1,800
Essex.....	31,871	1,080
Sullivan.....	33,163	1,100
Tompkins.....	35,285	2,675

Three of them run along about alike, mak-

ing about one return to every 30 of the population, a figure far below the average of the United States. But Warren and Tompkins jump way ahead; in the latter about $7\frac{1}{2}$ persons in every hundred made returns, while in the whole United States only 6.28 per cent of the population made returns.

In Tompkins County is located Ithaca, and at Ithaca is Cornell University. Let us see how Ithaca ranks with some other communities of about the same size in the same state:

City	Population	Returns
Middletown.....	18,420	1,650
Lackawanna.....	17,918	600
Ithaca.....	17,004	2,025
Watervliet.....	16,073	1,050
Hornell.....	15,025	1,840

Ithaca, it would appear, has about half the population of Tompkins County and makes more than three-fourths of the returns.

As has been said, proportion of income tax returns to population can't be accepted as the final index of wealth. A look at the state table is interesting evidence on that. In the District of Columbia a larger proportion of the population returns income than in any other state or territory. At the nation's capital one person in five files a return, while in the country as a whole not quite one in 15 does so, and in Mississippi, but one in about 70.

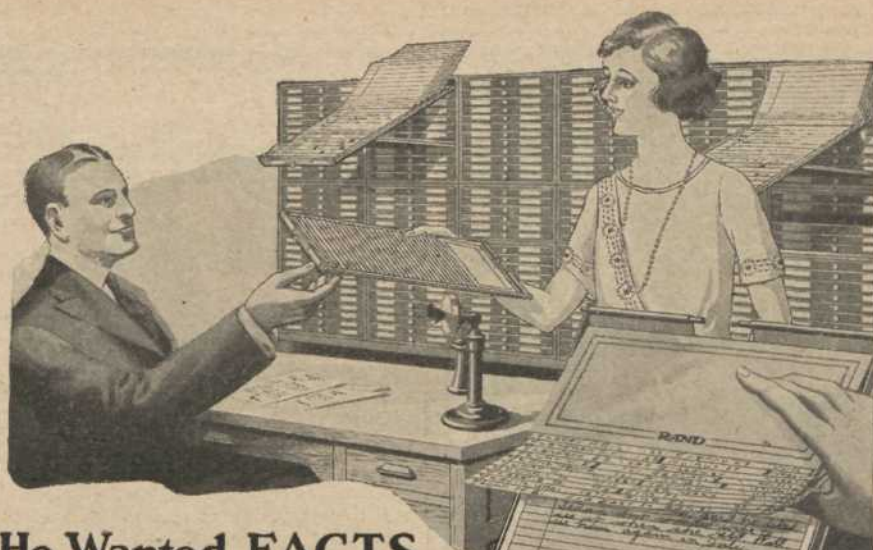
Yet in the District the average income tax is but \$85.64 to \$197.60 in New York, with the result that while but one person in 10 in New York files a return, the state pays per capita \$20 to the District's \$17.50.

We have cited Buffalo and San Francisco. Let us look again at some cities of the same population but in different sections of the country:

City	Population	Returns
Seattle, Wash.....	315,312	38,475
Indianapolis, Ind.....	314,194	29,237
Providence, R. I.....	237,595	18,840
Columbus, Ohio.....	237,031	24,500
Louisville, Ky.....	234,891	22,470
St. Paul, Minn.....	234,698	25,716
Syracuse, N. Y.....	171,717	22,550
Richmond, Va.....	171,667	16,000
New Haven, Conn.....	162,537	17,071
Memphis, Tenn.....	162,351	17,603
Houston, Texas.....	138,276	21,522
Hartford, Conn.....	138,036	17,795
Flint, Mich.....	91,599	6,358
Jacksonville, Fla.....	91,558	9,910
Waterbury, Conn.....	91,715	7,139
Oklahoma City, Okla.....	91,295	10,222

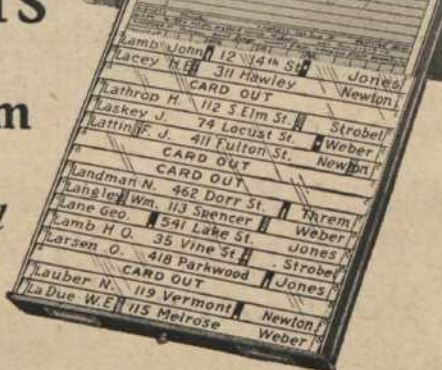
Some patient soul will toil through the pages of the census reports and the "Statistics of Income" to learn what community has the largest proportion of income tax returns to population. Brookline, Mass., for example, has been described as "the richest city in the United States." Its 37,748 inhabitants made 10,962 returns, a goodly showing. But your attention is called to Greenwich, Conn., whose 5,939 inhabitants made 2,437 returns, better than 40 per cent.

But we only set out to call attention to a fresh source of information as to the comparative wealth of American communities, and that we have done.



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What sort of a picture now hangs in your office or sales room? One that has beauty and decorative value, and in addition a glowing message of transportation progress?

Maxfield Parrish painted such a picture (*see above*), and we printed it in colors and reduced size in the Extra Convention Number of *NATION'S BUSINESS*, which you received a short time ago. It is now being reproduced in generously large size, by a twelve-plate color process, by the Fine Arts Division of the U. S. Lithographing Co.

David Ludlum, President, Autocar Company, Ardmore, Pa., started the ball rolling by ordering 50 reproductions to be hung in each of the Autocar branch offices throughout the country. We commend the idea to you also for immediate consideration.

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NATION'S BUSINESS
Washington, D. C.

Government Aids to Business

There has been temporary and unwarranted faith in the possibilities of electricity replacing

Economics and Correct Use of Gas

Smithsonian Institution. From his study, Mr. Wyer concludes that:

Electric cooking is a luxury for a limited few for whom reduced rates—except for quantity used—cannot be justified in social justice and non-discrimination to all consumers.

Electric heating of houses would be a gross waste rather than a conservation of fuel resources and so prohibitive in cost to users as to be beyond all consideration.

Therefore gas and not electricity must be depended upon for the cooking and house-heating service of the urban public for the future and the manufactured-gas industry must meet this increasing public-service obligation.

The possibilities of hydro-electric power are greatly overrated by the public generally. Hydro-electric power is not of itself, and under all conditions, even when the water power is widely available, more economical and cheaper than steam power. Water-power development cannot, therefore, substantially change the electric cost situation.

The bulletin includes a discussion of the public's interest in manufactured gas, the correct use of manufactured gas, and economic aspects of the manufactured gas industry. Copies of this bulletin, designated as Bulletin 108, Part 8, are obtainable from the Superintendent of Documents, Government Printing Office, Washington, at 10 cents a copy.

What do government bureaus do with the information obtained in formal investigations

Labor Bureau Tells About Its Methods

by questionnaire and schedule? The Bureau of Labor Statistics makes answer for itself in Bulletin 326, which describes the bureau's chief activities, and outlines the methods used in making its investigations and preparing its reports.

The bulletin considers the different subjects covered regularly in the investigations of the bureau, giving examples of questionnaires and schedules used by agents in collecting material relating to wages and hours of labor, cost of living, retail and wholesale prices, volume of employment, strikes and lockouts, industrial accidents, and workmen's compensation and insurance. The methods used in making computations are also described, and the extent of the work done in the different fields of study is given, together with the sources from which the information is drawn and the scope of the various investigations.

The publication of the *Monthly Labor Review* by the bureau since 1915 has presented much of the available information without the delay involved in the preparation of special bulletins.

Reports of colleges and universities throughout the United States to the Bureau of Education, Department of the Interior, in response to inquiries related to the number of commercial courses and the enrollment of students in those courses have been tabulated under the subject matter of the courses for issuance in

A New Measure of Commercial Courses

circular form. At least six circulars will be published by the bureau on the information obtained from a questionnaire dated October 26, 1921.

Circulars now available or in preparation include: Circular No. 12, advertising and merchandising courses, 10,087 students; Circular No. 14, transportation courses, 4,820 students; Circular No. 15, accounting courses, 28,891 students; Circular No. 16, banking and finance, 17,623 students; Circular No. 17, organization and management courses, 9,615 students; Circular No. 18, secretarial courses, 6,369 students; Circular No. 19, foreign service training courses (college year 1922-23), 12,202 students.

The circulars may be obtained by application to the Specialist in Commercial Education, Bureau of Education, Washington, D. C. Copies of Circulars Nos. 9 and 11 on foreign service training courses, and No. 10, on business research bureaus in colleges and universities, now in print, may also be obtained on request.

"The Story of the Gasoline Motor" has been added to the series of industrial motion

Film Shows How Motor Operates

picture films prepared by the Department of the Interior through the Bureau of Mines. This film, made in cooperation with the Continental Motors Corporation, visualizes the complete operation of a gasoline engine. Special views have been made to show the cycles through which the gas travels from the time it enters the engine as an explosive mixture until the time it leaves the engine as a waste gas.

With the aid of special lenses "close ups" were obtained to show clearly what takes place inside the engine, and the particular function of each part in creating power from liquid fuel. To show the operation in detail, engines were cut away so as to disclose the working parts.

Copies of this film may be borrowed for educational purposes from the Department of the Interior, Bureau of Mines, Pittsburgh, Pennsylvania.

Bulletins and circulars issued by the Department of Agriculture are primarily directed

Agricultural Topics Touch Business

to agricultural interests, but business men not directly concerned with agricultural problems may find profitable reading in some of the department's publications. Included in recent lists issued by the department are:

Motor Trucks on Corn Belt Farms, Farmers' Bulletin 1314. This bulletin is designed to be of assistance to farmers in the corn belt in determining whether or not they can use trucks profitably, and to assist men who already own trucks in determining whether or not they are using their machines as efficiently as others.

Lumber Cut of the United States 1870-1920, Department Bulletin 1119. Declining production and high prices as related to forest exhaustion. Price, 5 cents.

Turpentine and Rosin, Department Circular 258. Distribution of the world's production, trade, and consumption. Price, 5 cents.

Crop and Live-Stock Estimates, 1910-1922, Miscellaneous Circular 6. A summary of area, average yield, production and exports of crops and live-stock for the United States.

National Reproduction of Western Yellow Pine

in the Southwest, Department Bulletin 1105. The purpose of this study is to determine what measures are necessary to obtain natural reproduction of western yellow pine in the region mentioned. Price, 30 cents.

Decays and Discolorations in Airplane Woods, Department Bulletin 1128. This bulletin enumerates and describes the more important decays and discolorations to which woods used in aircraft construction are subject and the conditions under which they occur. Price, 20 cents.

Spinning Tests of Cotton Compressed to Different Densities, Department Bulletin 1135. Discusses the possibility of injury to the spinning value of cotton when compressed to different densities. Price, 10 cents.

Kiln Drying Handbook, Department Bulletin 1136. This bulletin presents to the dry kiln operator in condensed and convenient form the fundamental facts about the drying of wood which he must know in order to get the most satisfactory results from his kiln. Price, 25 cents.

Bulletins with prices quoted are obtainable direct from the Superintendent of Documents, Government Printing Office, Washington, on remittance; copies of the other publications may be obtained on application to the chief of the Division of Publication, Department of Agriculture, Washington.

Important additions to the list of reports and bulletins published by the Bureau of

New Reports Related to Export Trade

Foreign and Domestic Commerce, Department of Commerce, and now available for distribution, cover a wide diversity of investigations

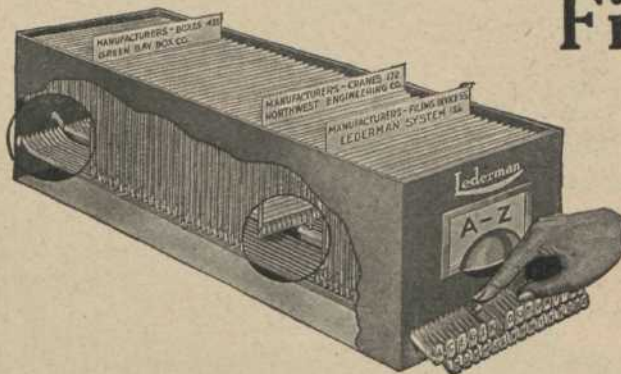
calculated to inform American business interests of conditions affecting their export trade. Included in the recent additions are:

- No. 86. Tanganyika.
- No. 87. Trade of British India with the United States, Japan and Germany.
- No. 88. British Investment Trusts.
- No. 89. Foreign Markets for Radio-telephone Apparatus.
- No. 90. Italy's Leather Market.
- No. 91. Representative Wages and Wage Bases in Great Britain.
- No. 92. Parana Pine Lumber Industry of Brazil.
- No. 93. Export Timbers of the Philippines.
- No. 94. Japan as a Market for American Agricultural Implements and Machinery.
- No. 95. The Cotton Industry of Peru.
- No. 96. German Iron and Steel Industry.
- No. 97. Survey of Czecho-Slovak Cotton Industry, 1922.
- No. 98. Financial Review of Great Britain.
- No. 99. Foreign Credit Facilities in the United Kingdom.
- No. 100. Czecho-Slovak Taxation System, Budget and Trade.
- No. 101. Market for Construction Materials in Brazil.
- No. 102. Agency Agreements in Foreign Trade.
- No. 103. Legal Aspects of Trade in Portugal.
- No. 104. Foreign Trade of the United States for the Calendar Year 1922.
- No. 105. Textile Industries of Belgium and the Netherlands.
- No. 106. Labor, Wages and Unemployment in Germany.

Of interest to manufacturers of cotton goods is the report on Cotton Goods in British South Africa, Special Agents Series 219, obtainable from the Superintendent of Documents, Government Printing Office, Washington, for 10 cents; and also, the report on Portuguese East Africa, Special Consular Report No. 85, purchaseable from the Superintendent of Documents at 5 cents a copy.

The report on cotton goods discusses the character of the South African textile trade, with sections on merchandising methods, wholesale and retail agencies, transportation, sales policy, and similar subjects.

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The convenience—the time saving element of such a file is obvious.

Much time and many costly errors result through cards being filed behind the wrong guide. All this is eliminated in the Lederman System.

A simple press of the key and immediately the card or cards desired are exposed to view.

After the card has been used it can be placed back in the file in any position and a simple press of the key will again display it.

Files are made in standard olive green finish, also in oak and mahogany at a slight additional cost.

Each drawer holds and comes equipped with 350 cards and is made in standard 3x5, 4x6, 5x8, and 6x9 sizes. The units are single or double in cabinet, made for vertical and horizontal expansion. Each drawer is removable and easily replaced.

For each card there is an aluminum holder, with place on lower edge for steel clips to be attached, the number of corrugation being equal to the number of keys on the front of the file.

The number of keys vary according to size of file. 3x5 has 26 keys, 4x6—31 keys, 5x8—44 keys and 6x9—50 keys. This permits an unlimited number of combinations.

The saving of time in many offices has paid for the installation many times over. We shall be glad to send you complete description of this filing system.

A limited number of territories are still open for high grade office specialty distributors. Also a few district manager positions are open. We shall be glad to hear from you. Write, giving full particulars.

LEDERMAN SYSTEM, Inc.

408 Minahan Building

GREEN BAY, WISCONSIN





Why the storm many expected did not arrive — *is worth investigating*

If ever proof were needed that government in business does not necessarily mean turmoil, the liquidation activities of the War Department furnish the evidence.

When the Director of Sales Office took hold in 1919, the Jeremiahs of the land had a wonderful time. The dumping of surplus property was to put an old man of the sea on to American business.

But nothing like that happened. There was none of this so-called dumping. Instead, the Director of Sales Office, working with the representatives of industry and commerce, liquidated this surplus in a manner that showed that sometimes a government can do a good job, outside its realm.

The average business man has hardly realized

that over two and a half billion dollars' worth of merchandise has found its way back to the usages of peace.

You ought to know it not only because it embodies why the storm never arrived, but because every sale of Surplus Property holds potential possibilities of profit for you.

The War Department strongly emphasizes the importance of investigating opportunities at this particular time when the final sales are being planned. Investigation will disclose a minimum of the final tag-end remnants usually associated with wind-ups of this character. The materials remaining on hand are, in large part, the high grade merchandise that was reserved by the Army for emergency purposes.

It is up to you to investigate.

The Way to Investigate

Watch your Commercial Business Publication and the Metropolitan Dailies for announcements of specific auction or sealed bid sales.

Send for the Catalog mentioned in the announcement. Check off the items that interest you.

Send a representative to the sale to inspect the materials—in advance, if possible.

To ensure you more leeway, send your name and address at once to Major J. L. Frink, Chief, Sales Promotion Section, Room 2515, Munitions Building, Washington, D. C. Advise him the character of materials you are interested in, and catalogs containing such materials will be forwarded you as rapidly as sales are scheduled.



Final commodity sales will begin in September and continue until liquidation of stocks is completed at the Quartermaster Depots in Brooklyn, Chicago, San Antonio and San Francisco. Offerings include a wide range of Quartermaster Supplies, Ordnance Property and smaller quantities of Engineer Property, Chemical Warfare and Medical and Hospital Supplies.

Important sales of Real Estate, Buildings, Plants and Warehouses will be held at Camp Devens, Ayer, Mass.; Camp Dix, N. J.; Ordnance Reserve Depot, Amato, N. J.; Camp Meade, Md.; Ordnance Reserve Depot, Toledo, O.; Camp Knox, Louisville, Ky., and Camp Lewis, American Lake, Wash. Definite dates will be announced later.

Look for the Eagle before you shop

WAR DEPARTMENT

A fundamental tool of business

Twenty-eight years ago the growing need of business for an exact knowledge of property values created a new instrument of business—The American Appraisal.

With the increasing growth of business it has become recognized as a business necessity—a fundamental tool of business. True facts regarding property values are the very basis of adequate insurance protection, accurate cost accounting, financial issues and federal income tax procedure.

For more than a quarter of a century The American Appraisal Company has been supplying to the leaders of American industry accurate and provable facts concerning property values.

The growth of this company in that time to an organization of more than 900 specialists can only be accounted for by the equivalent demand for the kind of service it offers to business, plus a recognition of the quality of that service.

The American Appraisal Company

Milwaukee, Wisconsin

Atlanta	Cincinnati	Los Angeles	New York	St. Louis
Baltimore	Cleveland	Milwaukee	Philadelphia	Seattle
Boston	Detroit	Minneapolis	Pittsburgh	Syracuse
Buffalo	Indianapolis	New Orleans	San Francisco	Tulsa
Chicago				Washington

The Canadian Appraisal Company, Ltd., Montreal, Toronto

APPRAISALS • REPORTS • INVESTIGATIONS

INDUSTRIALS • PUBLIC UTILITIES • NATURAL RESOURCES

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The Log of Organized Business

THE National Container Association has been formed at Chicago. There have been two associations in the fibre container industry, the Container Club and the National Association of Corrugated and Fibre Box Manufacturers. The new association will include the membership of those organizations, and other manufacturers who have not been identified with association work. It is expected that the National Container Association will start with a membership of from seventy-five to eighty manufacturers of corrugated and solid fibre containers, representing about 80 per cent of the total production of containers of that kind made in the United States.

All of the activities of the Container Club and the National Association of Corrugated and Fibre Box Manufacturers will be continued by the new association, including research work with a scientific laboratory at the Mellon Institute, Pittsburgh, and a testing and designing laboratory at Chicago, and statistical, inspection, traffic, and classification services.

The centering of all association activities in one group is expected to eliminate duplication of effort and make more effective the combined cooperative efforts of the manufacturers toward the betterment of conditions in their industry, and afford an enlarged service to the users of fibre containers.

The executive offices of the new association will be maintained in the Transportation Building, 608 South Dearborn Street, Chicago.

New Building for Los Angeles

WORK HAS begun on the new Los Angeles Chamber of Commerce building on Twelfth Street, between Broadway and Hill Street, in the newer part of the business district. The building is to cost \$500,000 and will have eight stories; it will be of the arcade type. The site, 251 by 242 feet, cost \$650,000.

Construction was assured by the prompt and liberal response of the city's business interests to a canvass for the building fund. In sixteen hours a committee from the city's association of investment bankers obtained \$500,000 in pledges and money. In addition, the chamber membership raised \$550,000 on gold notes and will obtain \$2,000,000 on first mortgage bonds which run for twenty years and pay 6 per cent interest. These funds are insured by a second mortgage on the chamber's property, which pays 7 per cent interest and matures in ten years. With the second mortgage maturing before the first, security is provided for the former by the larger issue.

The Los Angeles Chamber was organized thirty-five years ago. Originally housed in a small office, it has grown to an organization of twenty departments with extensive and diversified activities.

C. G. BOWEN.

Community Building by Advertising

THAT COMMUNITY building may be accelerated through the judicious use of publicity mediums is the belief of Charles F. Hatfield, president of the Community Advertising Department of the Associated Advertising Clubs of the World. Addressing the annual convention of that organization, Mr. Hatfield discussed his experience and observations in the field of community advertising. With reference to outstanding achievements,

The Second Distribution Series is on the Way!

In an early number of NATION'S BUSINESS we shall start a new series on Distribution. The first series gave a picture of distribution and showed the elements which go to make up the cost of distribution.

The Second Series will deal with some specific problems in distribu-

tion, for example: the effort to bring together on fairer terms the salesman and the retailer's buyer; the factor of freight rates in marketing; advertising; resale price maintenance. The articles will endeavor to point out ways towards reducing the costs of distribution. They will be written by experts.



The Perfect Towel

AUTOMOBILE OWNERS

will appreciate the new Nibroc Towel. Always fresh and clean. Grateful to the skin. Soft and absorbent, and so stoutly made that *One Wipes Dry* leaving the skin free from lint and fuzz. Carry a supply in your automobile and enjoy clean hands.

Write for sample and name of nearest NIBROC distributor.

BROWN COMPANY

founded 1852

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New York
St. Louis

Atlanta
Chicago

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FOUR-POWER TREATY

The Most Important Treaty ever negotiated by the United States

Copies now being distributed exclusively by the



John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Sixty-one Years in Business. Largest Fiduciary Institution in New England

For free copies apply to any agent or to the home office of the Company, 197 Clarendon Street, Boston, Massachusetts

Starting a Company?

Save expenses and taxes by organizing on the popular, COMMON LAW plan under a pure DECLARATION OF TRUST. No experience required to fill in DEMAREE STANDARD FORMS, issue shares and begin doing business at once. Genuine DEMAREE FORMS are nationally known, approved by attorneys and utilized by successful concerns throughout the United States. Send for large, free pamphlet (D-14) containing valuable information that you may need. C. S. DEMAREE, legal blank publisher, 708 Walnut, Kansas City, Mo.

industries and activities which are commonly linked with the names of great cities through the force and frequency of their advertisement, Mr. Hatfield said:

For instance, in a page advertisement of the *Globe Democrat* of St. Louis you will find a box ad (St. Louis, the City with \$87,000,000 to spend on Municipal Improvement) with a picture of the viaduct, railroad bridges, etc. Another full page ad of the *Detroit News* is illustrated by a racing automobile (Detroit's Automobile Production) so that the picture was immediately suggestive of Detroit. Toledo advertises itself as a seed center. Ocean City advertises itself as a family resort. Minnesota is advertising for new settlers. C. R. Hoffer, of the University of Minnesota, in a recent talk to Minnesota editors on "The Local Merchant," suggested that many towns of less than 1,000 inhabitants can increase their business population and importance by advertising. He said, "Focus the attention of the public on the good things of the community. Point out transportation facilities, the financial assets, the agricultural conditions and create a closer bond of relationship between the small town and the community it serves."

How Missouri Builds Bridges

THE POSSIBILITIES of applied community spirit have a new measure in the bridge now under construction at Glasgow, Missouri. The bridge is to cost \$550,000, and will provide a connecting link between Saline and Howard Counties.

During the prosperous days of steamboat traffic, Glasgow was an important shipping center for pork products, tobacco and hemp. With the building of railroads, steamboat rates no longer attracted shippers, and the business structures along the town's waterfront became tenantless. Glasgow's hope of becoming a great commercial city received a severe setback.

Fresh impetus to that hope came with the development of the motor car, and with its acceptance as a factor in farm life the people of Glasgow and Howard County became interested in good roads. When highways were built, the need for a bridge was apparent.

Under the leadership of John Jackson, of Monticello, the people of Howard and Saline Counties voted bonds for a bridge. In one day Mr. Jackson sold \$105,000 of Howard County bonds in St. Louis, and within a few days the bank at Saline put up the money on the bonds to be issued by Saline County. So the bridge is to be built.

Central Missouri will also have another bridge available when the one at Boonville in Cooper County is completed. That bridge is to cost \$800,000. In western Missouri two bridges are under construction at Lexington and at Waverly. The bridge at Lexington will probably cost more than \$1,000,000. No tolls are to be charged at any of the bridges.

Insuring Insurance a Problem

WHEN A LIFE insurance contract is made, the policyholder should carefully consider the condition which may exist when the contract becomes payable by reason of his death, says Bulletin No. 7 issued by the Insurance Department of the Chamber of Commerce of the United States, for the policyholder

... must consider whether his purpose in taking out the contract will necessarily be carried out if there is payment of a lump sum. He has to decide whether the beneficiary will have the business experience necessary to safeguard the amount of the policy or if the beneficiary's best interests will be served by some installment plan.

When a man buys insurance is the time for him to make provision for the proper care of this money when it becomes payable. Just as the



Eat and Be Well!

If you want to keep well—up to "top notch"—strong, healthy and efficient, you must know how and what to eat. The usual "self prescribed" dietary has many faults which become a positive menace to increased health and energy—due to the fact that certain vital food elements are generally lacking in the diet.

"Eating for Efficiency"

is a condensed set of health rules—many of which may be easily followed right in your own home, or while traveling. You will find in this little booklet a wealth of information about food elements and their relation to physical welfare.

Control Your Weight

Without Drugs or Tiresome Exercises

Effective weight control diets, acid and bland diets, laxative and blood building diets; and diets used in the correction of various chronic maladies.

The book is for FREE circulation. Not a mail order advertisement. Name and address on a card will bring it without cost or obligation.

Health Extension Bureau

434 Good Health Building, Battle Creek, Mich.

FREE BOOK COUPON

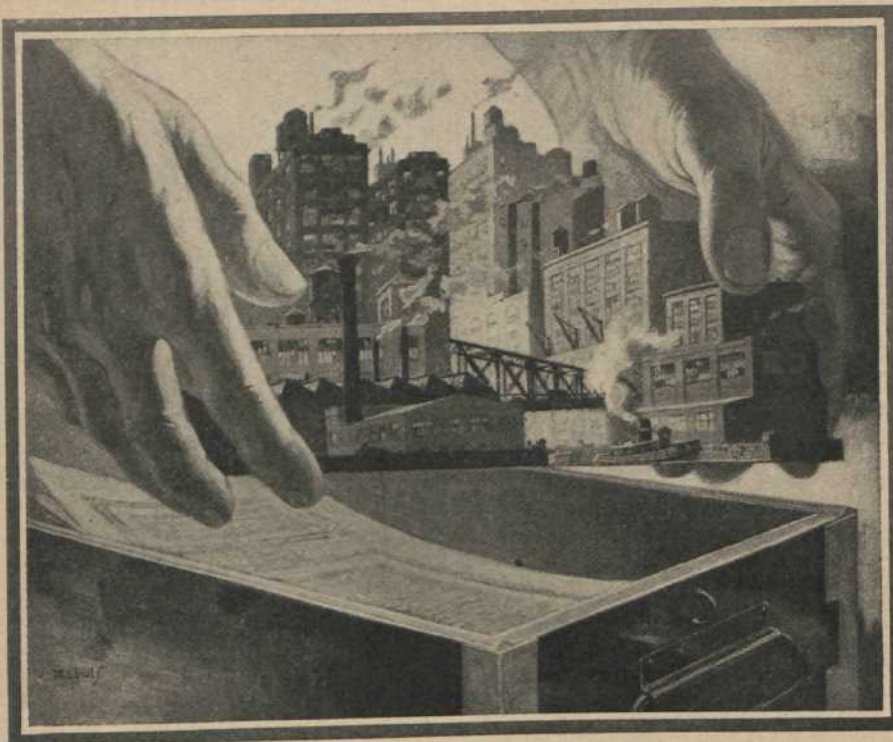
Health Extension Bureau,
434 Good Health Building,
Battle Creek, Michigan.

Please send me your FREE book on diet—

"EATING FOR EFFICIENCY."

Name.....

Address.....



A business-man's investment

MEN who are active in business affairs are especially qualified to visualize the standing and possibilities of great American industries.

The high-grade bonds of an industry whose properties represent value far in excess of bonded indebtedness are desirable securities to own. They yield very liberal interest returns on the money invested.

Let us help you to select the well-secured bonds of great enterprises with established records of earnings.

As a preliminary step, we suggest that you consult our Current Purchasing Sheet—a copy of which will be mailed on request.



The National City Company

National City Bank Building, New York

Offices in more than 50 leading cities throughout the World

BONDS SHORT TERM NOTES ACCEPTANCES

Reprints of Articles

appearing in this magazine may be ordered from THE NATION'S BUSINESS, Mills Building, Washington, D. C.

The price is
\$10.00 for the first 1000 or less, per page
5.00 for each additional 1000, per page

We will give permission, on request, for the reprinting of articles from THE NATION'S BUSINESS in house organs, or in other organization periodicals.

type of life insurance sold to a policyholder should fit his particular needs, so should the plan for distribution of the proceeds be adapted to the probable future circumstances of the beneficiary.

If, in the policyholder's judgment, an installment plan is preferable to a direct payment in a lump sum, it will be necessary to select an agency to carry out his wishes. He may have the money made payable to a trust company or other trustee in whom he has confidence, with directions as to how the installments are to be given to the beneficiary; or if he desires, his insurance company will make payment to the beneficiary of the face value of the policy in such installments as he may stipulate.

Sioux Falls Plans Group Tours

INTENSIVE development of their trade territory by means of small group tours is among the activities undertaken by the jobbers and manufacturers of Sioux Falls, South Dakota. Four or five men are to go on each of the numerous tours now planned. They are to represent all of the interests of Sioux Falls, call on every dealer in the towns visited, and obtain reports on complaints, railroad service and similar matters. The information obtained from the dealers is then to be used for the benefit of Sioux Falls business houses.

Members of the Chamber of Commerce who made the first trip believe that the small group plan will prove far more effective than the "hip-hip-hurrah, shake-hands-on-the-run, big-train-or-automobile" plans which have been tried in Sioux Falls.

Hotel Accountants Study Costs

CALIFORNIA hotel accountants have approved the appointment of two committees to cooperate continuously with the American Hotel Association Research Bureau on the problems of a uniform accounting and cost-finding system for hotels. Conferences of hotel accountants were held at Los Angeles and at Oakland. The Oakland meeting was addressed by W. L. Crawford, of the Research Bureau of the American Hotel Association, who said that:

Uniform cost finding will make it possible not only to determine our actual costs, but also to set up standards as to what costs should be under given conditions. Average costs determined uniformly for a period of years will serve as a measuring stick for the cost of current operation. Uniformity of method will also make it possible to analyze cost variations to determine both the cause and the remedy.

Newspapers Contribute Editorials

THE *Members' Bulletin*, published by the Chamber of Commerce at Phoenix, Arizona, now carries editorials under the mastheads of Phoenix newspapers. The editorials relate to community building and to civic pride, and the Chamber reports that the owners of the newspapers and their editorial staffs are glad to prepare the editorials for each monthly issue of the *Bulletin*. As seen by the Chamber, the real value of the co-operation from the newspapers is to be found in the gratuitous contribution of the time and thought of their editorial staffs, for that is a measure of their interest beyond their active membership in the Chamber.

An "Education Dinner" at Troy, N. Y.

WITH Dr. George E. Strayer, Dean of the Teachers' College of Columbia University, as the principal speaker, the Troy Chamber of Commerce gave an "education dinner" in one of the Troy high schools through the cooperation of the board of education, the superintendent of schools, and

To Executives of Corporations—

IN a comparatively short time your magazine has attained a strong position in the publishing field. It is today reaching an audience of over 110,000 business executives, men who are in charge of the larger business organizations of the country.

Already many advertisers and advertising agents recognize The NATION'S BUSINESS as an unusually direct way of placing their sales messages strongly before a great buying audience.

We are proud of the fine character of every announcement in the magazine. We believe these advertising pages are typical of the best appearing in any publication.

If your own corporation sells in the business market you should consider The NATION'S BUSINESS. Ask your advertising manager to apply the same tests to it that he applies to the other publications you are using. Compare its rate with theirs. Compare the market reached with any you are reaching. Compare the character of the audience and its buying power. Compare its directness to the market and the economy represented.

A request will bring complete information to you or your advertising department or your advertising agent.

THE NATION'S BUSINESS
WASHINGTON

Overhead Expense

Don't Worry About it—Control it

Two simple accounting functions rightly and constantly performed will control Overhead Expense.

Preparation of the Expense Budget is the first step. The second is the definite fixing of responsibility for making the daily, weekly and monthly audits of actual expense.

No Expense Budget will control expense; for the Budget, however elaborate or carefully prepared, is only a guiding estimate. *Actual* expense must be frequently checked with the Budget. To give this checking intelligence and make it effective, detailed and actual expense information is necessary.

Totals of each expense account are not enough. A knowledge of the details of all items is necessary. Only thru such details may the one responsible for his department expense determine, at any time, what is *necessary* and what is *not*.

Reviewed in the light of the Budget, and considered by the one who knows as applicable to the running requirements of the business—such an up-to-date expense account *will control expense*.

The worry of Overhead Expense is due wholly to a lack of delegated supervision supported by simple system and definite, right accounting method.

ERNST & ERNST

AUDITS — SYSTEMS
TAX SERVICE

NEW YORK	CHICAGO	CLEVELAND	INDIANAPOLIS	NEW ORLEANS
PHILADELPHIA	MINNEAPOLIS	BUFFALO	TOLEDO	DALLAS
BOSTON	ST. PAUL	PITTSBURGH	ATLANTA	FORT WORTH
PROVIDENCE	ST. LOUIS	DETROIT	RICHMOND	HOUSTON
WASHINGTON	KANSAS CITY	CINCINNATI	BALTIMORE	DENVER
		MILWAUKEE		

BUSINESS STUDIES

A number of pamphlets are available for distribution by the Chamber of Commerce of the United States. There is given below a list of some of the booklets. One copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

Our World Trade—January to June, 1922.
Free Zones—What They Are and How They Will Benefit American Trade.

International Credits—Referendum No. 1, issued by the International Chamber of Commerce on the application of the Ter Meulen Plan.

The Railroad Situation—Statement of Secretary of Commerce before the Interstate Commerce Commission.

Overhead Expenses—A Treatise on How to Distribute Them in Good and Bad Times.

Depreciation—A Treatment on Depreciation and Production.
Why a Merchant Marine—Reasons why privately owned merchant marine is a national necessity.

Commercial Arbitration—Statement of the field of arbitration and draft of plan.

Perpetual Inventory or Stores Control—How to keep investment in materials and supplies down to the minimum consistent with efficient operation.

National Obligation to Veterans—The costs of war borne by the States and the government.

Treaty Ratification—Report of the Committee on Foreign Affairs regarding ratification of the several treaties of the Conference on the Limitation of Armament.

Merchandise Turnover and Stock Control—Knowing what is taking place, while it is taking place. Study by Domestic Distribution Department.

Analysis of the Senate Bonus Bill—Outline of provisions with estimate of cost.

the principal and staff of the high school. Dr. Strayer spoke on "The Business of Education and the Education of Business."

The dinner was cooked and served by members of the domestic science class of the high school, and the menus were printed by the art department of the school. To show their skill, boys of the manual training classes built a replica of a grain elevator with a background of cars and boats.

By giving the dinner in the school, the business men of Troy were offered a welcome opportunity to become more familiar with the many accomplishments and interests of pupils in modern high schools.

Industrial Course at Penn State

A COURSE in industrial organization and administration will be given at State College, Pennsylvania, from August 27 to September 8, under the direction of J. O. Keller, head of the industrial engineering department of Pennsylvania State College.

The summer session is to include lectures and laboratory work in factory organization, cost-accounting, time and motion study, production control, employment and personnel, factory planning, safety, manufacturing methods and related subjects. The equipment of the college is especially adapted to facilitate presentation of the course. The fee for the course is \$75, which includes tuition and living expenses.

Employers Want Men to Own Homes

MEMBERS of the Evansville Manufacturers' Association are interested in showing workmen how they can own their own homes, reports *Sparks from the Anvil*, published by the Evansville Chamber of Commerce. The explanation is made that many of the workmen are paying from \$3 to \$5 a week for rooms in houses where conditions are very unsanitary. Members of the Manufacturers' Association are considering photographs and blueprints of four-room houses, equipped with bath and inside toilet, and electric lights, and made of good material. Houses of that type and construction can be built for \$1,700, it is said, with the lot obtainable for \$300.

Portsmouth Seeks New Industries

PORTSMOUTH, New Hampshire, is reaching out for new industries through a Factory Building Association organized through the work of the Chamber of Commerce. Although there are several large concerns in the city, the business interests believe that many small concerns might be induced to come to Portsmouth.

Options have been taken on several sites along the railroad, and the establishment of the first factory under the new plan is in immediate prospect. Members of the Industrial Committee of the Chamber of Commerce, which includes representative bankers and business men of Portsmouth, are cooperating in the representations of the Factory Building Association.

Coming Business Conventions

August	City	Organization
1-3	Milwaukee	National Retail Tea and Coffee Merchants Association.
6-8	Chicago	Commercial Jobbing Confectioners Association.
14-16	Buffalo	Memorial Craftsmen of America, Incorporated.
21-23	Hartford	Society of American Florists and Ornamental Horticulturists.
Last week		American National Retail Jewelers Association.



Missionaries in the Markets of *Tomorrow*

OVERSEAS the *utility* idea of the automobile is just beginning to take hold. But years ago General Motors foresaw the potential overseas demand and planned accordingly.

General Motors has circled the globe with selling and service organizations, and is represented in 144 countries by distributors and dealers who have pioneered upon the far flung outposts of civilization—missionaries in the markets of tomorrow.

Through its export organizations, General Motors has sent overseas more than 42,000 Buicks, 29,000 Chevrolets, 5,000 Cadillacs, 9,700 Oaklands, 4,200 Oldsmobiles, and 3,100 GMC Trucks.

General Motors realizes that the overseas markets are only in the process of development. Goods can be sold without developing the market; there can be development without sales—but unless development and sales go hand in hand, the future is sacrificed.

Building gradually but surely, the foreign field force of General Motors has laid the foundation for an asset of great value—a substantial market which promises an ever increasing demand for products sponsored by General Motors.

In almost every overseas country General Motors products are displacing antiquated means of transportation.

A booklet entitled "THE EXPORT ORGANIZATIONS OF GENERAL MOTORS" will be mailed if a request is directed to the Department of Financial Publicity, General Motors Corporation, New York.

GENERAL MOTORS

BUICK • CADILLAC • CHEVROLET • OAKLAND • OLDSMOBILE • GMC TRUCKS

Delco and Remy Electrical Equipment • Harrison Radiators • New Departure Ball Bearings
Hyatt Roller Bearings • Jaxon Rims • Fisher Bodies • AC Spark Plugs—AC Speedometers
Brown-Lipe-Chapin Differential Gears • Klaxon Warning Signals
Inland Steering Wheels • Lancaster Steel Products • Jacox Steering Gears
Dayton Wright Special Bodies • Delco-Light Power Plants and Frigidaire

- United Motors Service provides authorized national service for General Motors accessories •
- General Motors Acceptance Corporation finances distribution of General Motors products •
- General Exchange Corporation insures General Motors cars exclusively •

*your parcel
post package?*



damaged but insured

EVERY Parcel Post Shipment you make is in danger of loss or damage. Parcel Post Insurance protects you against the many risks of transportation. There is no red tape.

Enclose a coupon from a North America Coupon Book with each package. It is automatically insured. The entry upon the stub is your shipping record. Claims settled promptly.

Insurance Company of North America

PHILADELPHIA

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Pin this coupon to your letterhead

"The Oldest American Fire and Marine Insurance Company"

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Insurance Company of North America, Third & Walnut Sts., Philadelphia. Dept. N-8

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State _____

Wants information on Parcel Post Insurance

To those considering Long Term or Permanent Financing

Wm. A. White & Sons

Established 1868

46 Cedar Street
New York City

OUR Industrial Financing Department invites inquiries from established successful enterprises interested in immediate or future long term or permanent financing through the medium of mortgage loans, bond and stock issues for expansion, re-funding or additional working capital.

After completing our analysis we advise as to the most advantageous plans of financing and subject to our clients' acceptance, we negotiate the sale of the entire proposed issue, with an Investment House, which, in our opinion, is best suited for underwriting the issue.

Our Corporate Financing Service is rendered for a reasonable charge previously agreed upon and to be paid only in the event of the consummation of the sale.

A Plattsburg Training Camp for Secretaries

PLANs for the third annual session of the National School for Commercial and Trade Executives are now well under way, and from present indications it will be one of the largest and most successful sessions which has yet been held. As in the past the school will be at Evanston, Illinois, and it will cover the period August 19 to September 1.

The high standards of professional and educational leadership which characterized the first two sessions of the school will be continued. In addition there will be new courses and new and improved methods of handling courses previously given.

These courses will include: fundamentals in chamber of commerce and trade association work; technical courses with specially prepared textbooks on the technique of commercial organization work, and seminar courses for advanced students, dealing mainly with important special activities and problems of commercial and trade organizations.

In the fundamental courses the subjects thus far announced include the following: Psychology, Economics, Business and Government, Marketing and Distribution, Effective Public Speaking, Journalism, Chamber of Commerce Salesmanship, Industrial Promotion, and Transportation. Among the instructors upon these subjects will be Charles H. Judd, Ralph E. Heilman, Homer B. Vanderbilt, Ralph B. Dennis, Merle Thorpe, Harold G. Moulton and Paul V. Ivey.

The technical courses will cover such subjects as Organization, Program of Work, Meetings, Membership, Organization Finance, Publicity, Office Administration, and Commercial, Industrial and Civic Activities of Commercial and Trade Bodies. Instruction will be given by James A. McKibben, W. C. Culkins, C. F. Holland, J. David Larson, James T. Daniels, Ralph H. Faxon, S. C. Mead, John E. Northway, G. Wray Lemon and others.

The Need for Trained Men

SUGGESTED seminar courses include the following: Committee Operation, Membership Building, Organizing the Secretary's Work, Finances, Retail Trade, Industrial Development, Problems of the Small Town, Principles of Executive Management, Getting Close to Your Members, City Planning, Functions of the State Chamber, Town and Country, Organization and Program, Market Building—Wholesale Trade, Civic Work of a Business Organization, and Community Traffic Problems.

Julius H. Barnes, president of the National Chamber, in a recent communication to organization members urging the advantage of representation at the national school, calls attention to the declaration of the Eleventh Annual Meeting to the effect that "Organizations of business men have reached a stage where their executives, in order to keep pace with demands upon them, must have technical training and must keep abreast of the best thought on those fundamental subjects which determine the growth and development of our commercial and industrial communities."

The purpose of the National School for

Commercial Secretaries is to train men for successful careers in the chamber of commerce and trade association fields. It represents an effort by secretaries themselves (through the National Association of Commercial Organization Secretaries) in cooperation with Northwestern University and with the Chamber of Commerce of the United States. The school management is confided to a board of managers made up of two representatives of each of these three agencies, as follows: Robert B. Beach and J. David Larson representing the National Association of Commercial Organization Secretaries, Elliot H. Goodwin and John Ihlder representing the Chamber of Commerce of the United States, and President Walter Dill Scott and Dean Ralph E. Heilman representing Northwestern University.

Practical Courses in Every-day Problems

THE courses offered by the national school are designed to meet the need of training in the practical, day-to-day problems which confront the secretary and staff of a commercial organization, as well as education in the principles underlying these problems. This instruction will be given by regular members of the faculties of Northwestern and other universities and by leading organization executives.

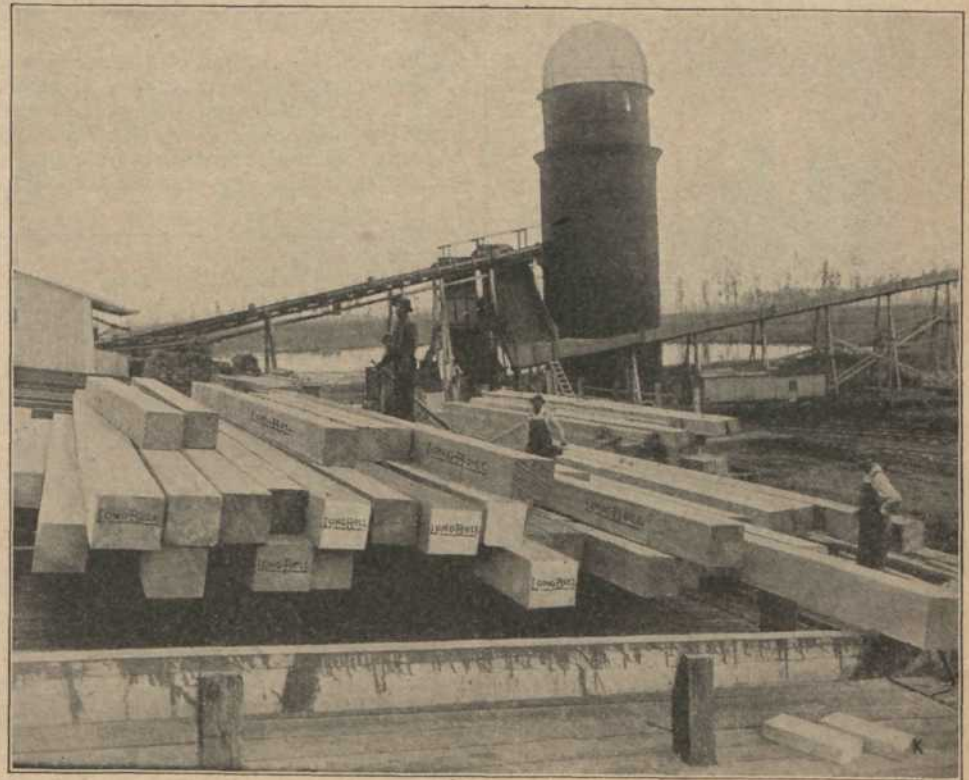
The profession of the organization secretary is now recognized as one of important service and attractive opportunities. The training furnished by the national school aims to help qualify men for positions in the commercial and the trade organization fields. The curriculum has been developed to meet the needs of those who are at present engaged on the staffs of local chambers of commerce, associations of commerce, trade associations, etc., and for college seniors or graduate students who may wish to qualify.

The tuition rate is \$30, which includes textbooks (textbooks revised since last year) on the technical subjects presented. Good board and comfortable rooms with care may be obtained from \$2.50 to \$2.75 per day. Complete information regarding the school and enrollment blanks can be obtained from the Chairman, Board of Managers, National School for Commercial and Trade Executives, 10 South LaSalle Street, Chicago, Illinois.

Fellowships for Ceramic Research

THREE fellowships for advanced research work in the field of ceramics are now available to college graduates through arrangement of the Department of the Interior with the Ohio State University at Columbus, Ohio. Applicants are expected to have had training in the technique of pottery, metallurgy, or chemistry. The stipend is \$750 for a period of nine months, beginning September 1, 1923.

The men who receive the fellowships are to undertake the solution of difficult problems of the pottery industry. The work will be done at the university's experiment station. Under the fellowship awards, the holders may register in the university's graduate school and become candidates for advanced degrees.



For Heavy Construction Long-Bell Timbers

In the manufacture of timbers for heavy construction purposes, The Long-Bell Lumber Company exercises the same painstaking care and attention that it does in the manufacture of lumber. Each timber is identified by the Long-Bell trade-mark.

Ability to supply the various timber items, unsurpassed accuracy and thoroughness at every step of manufacture, unusual care in trimmings, uniformity of grading, and living up to promises of shipment have made The Long-Bell Lumber Company a dependable source of supply.

*We Manufacture to Meet
Special Requirements*

The Long-Bell Lumber Company
R.A. LONG BUILDING Lumbermen since 1875 KANSAS CITY, MO.

Some Recent Federal Trade Cases

SEVERAL associations of tobacco jobbers and merchants, and a number of tobacco manufacturers have been cited by the Federal Trade Commission on charges of entering into agreements among themselves for the purpose of fixing and maintaining standard resale prices of certain tobacco products. The agreements are said to have affected sales territories in Pennsylvania, Oregon and Arizona. The commission holds that cooperative agreements to maintain standard resale prices result in a substantial lessening of competition between the organizations named in the commission's complaint, and that agreements of that sort constitute an unfair method of competition. Refusal to sell to dealers who do not abide by the established prices is also charged in the complaints.

The commission explains that, under the law, whenever it has reason to believe an unfair method of competition has been used adversely to the public interest, it must issue a complaint, but that the question of whether or not the method defined in the complaint has been used is not finally passed upon by the commission until after the individuals, partnerships, corporations or other parties cited in the complaint have had thirty days in which to answer the charges made by the commission, and the issue has been tried.

RESALE price maintenance by cooperative agreements in the sale of gasoline in and near Tampa, Florida, has been charged by the commission in complaints citing three oil companies, an automobile dealers' association, a retail gasoline dealers' association, and three residents of Tampa.

Coercing and influencing gasoline dealers to sell at prices fixed under the agreements, and refusing to sell to dealers who do not sell at the agreed prices are among the commission's charges. Various other cooperative methods are used in carrying out the schedule of resale prices, says the commission, and it contends that by the application of the cooperative agreements in the sale of gasoline, competition in the sale of gasoline does not have full play in the territory affected by the agreements.

A DETROIT manufacturer of electric irons, in cooperation with certain wholesalers and retailers and by other means, according to the commission, compiles a list of dealers who sell below the company's fixed prices and refuses to sell its irons to those dealers. The commission has issued a complaint against the company.

COMPETITION in the purchase of eggs and poultry at and near Carrollton, Missouri, is not all it should be, believes the commission, expressing that belief in a complaint directed to a corporation of Moberly, Missouri. The corporation buys and sells produce, including poultry, eggs and cream. The company has buying stations in several towns in Missouri and Iowa, says the complaint, and it is charged that the company in its purchases of produce at Carrollton, Missouri, a competing market, pays prices higher than the prevailing market prices, and

higher than the company pays at its other buying stations. The effect of that practice, the commission says, is to compel competing buyers of poultry and eggs to discontinue buying produce at and near Carrollton, and to decrease competition and to create for the company a monopoly in part of the State of Missouri.

Some commodities affected by cases and complaints described in this article are:

Eggs and poultry	Oil stocks
Electric irons	Tobacco
Gasoline	Watch cases
Motion picture plays	

CHANGING titles on motion picture plays is likely to draw a scolding from the commission. A New York City film corporation is ordered to discontinue the selling or leasing of reissued

motion picture plays under titles other than those used when the pictures are originally offered for exhibition, unless the posters and advertising matter for the pictures indicate the new and the old titles in an equally conspicuous manner.

In its investigation of this case, the commission found that the film corporation had supplied to exhibitors three reissued picture plays bearing titles different from those used at the time the pictures were first shown to the public, and that the advertising matter used in the exploitation of the pictures did not disclose in any way that they had previously been shown under another title. Also, the commission asserts, neither the contracts under which the pictures were supplied, nor the corporation's agents consummating the contracts, mentioned that other than first-run pictures would be supplied to exhibitors entering into contracts with the corporation.

The commission's order requires that the corporation discontinue directly or indirectly advertising, selling or leasing, or offering to sell or lease, reissued photoplays under titles other than those borne by the photoplays when originally issued and exploited, unless the former titles of the photoplays and the fact that they have been previously exhibited under other titles be clearly, definitely, distinctly and unmistakably stated and set forth, both in the photoplay itself and in any and all relevant advertising matter, in letters and types equal in size and prominence to those used in displaying the new titles.

AN ORDER requiring a number of companies and persons to discontinue the use of false and misleading statements in the advertisement and sale of oil stocks has been issued by the commission. One of the men involved in the case, according to the commission's findings, promoted and organized the four companies named with him in the order, and had as his associates several other men against whom the order was also directed.

The companies and the men in this case, the commission says, greatly exaggerated the extent of their oil interests and published inflated figures as to the number of barrels brought in by the oil wells. Some of the assets were sold, the commission explains, for the purpose of paying dividends that could be paid from the company's earnings.

In the language of the commission, the companies and the men named in the order are prohibited from:

Publishing, circulating or distributing or causing to be published, circulated or distributed, any newspaper, pamphlet, circular, letter, advertisement or any other printed or written matter



Is Yours a Rooming House Town?

Hotels are inadequate or no longer modern, and this chap has to pull the doorbells of rooming houses to get a place to sleep.

His stay will be brief; his impressions uncomplimentary.

It MAY be *your* town!

If it is, you lose a booster in every visitor.

Your merchants lose market opportunities because fewer commercial men come to town.

They also lose the free-spending tourist.

Above all, you lose the greatest advertising asset a community can have—a distinctive hotel!

Of all the community-financed hotels in the U.S., 97% were Hockenbury financed!

Tell us your hotel troubles. We can help you make a booster of this chap!

The Hockenbury System Inc.
Penn-Harris Trust Bldg.—Harrisburg, Penna.

whatsoever in connection with the sale or offering for sale in interstate commerce of stock or securities wherein is printed or set forth any false or misleading statements or representations to the effect that the property or operation of any corporation, association or partnership is in proven oil territory or any other false or misleading statements or representations concerning the promotion, organization, character, history, resources, assets, oil production, earnings, income, dividends, progress or prospect of any corporation, association or partnership.

MANUFACTURERS of gold-filled and gold-plated watch cases, representing approximately 75 per cent of the industry, in a trade practice submittal before the commission, presented their views in relation to the alleged unfairness of prevailing methods of branding watch cases with long-time guarantees. Their opinion, as expressed at the meeting, holds:

That manufacturers and dealers should be required to place the maker's trade-mark 'conspicuously and indelibly' on the inner surface of the lid or cap.

That sheets of gold or its alloy affixed to the inner and outer surfaces of the backs, to the inner and outer surfaces of the caps, and the outer surface of the hunting bezel shall not be less than one-thousandth of an inch in thickness.

That whenever the thickness of the sheets of gold or its alloy in gold-filled watch-cases is indicated, the mark indicating such thickness shall only refer to the thickness of the sheets of gold or its alloy so affixed to the outer surfaces of the backs, center, open face, bezel, pendant, crown and bow, the mark accurately indicating such thickness which shall be expressed in decimals indicating thousandths of an inch, in tests to ascertain the thickness, measurements being taken at a point where no gold has been added or taken away for decoration or ornament.

After consideration of the practice discussed by the manufacturers, and the facts submitted by them, the commission announces that it has reason to believe:

That the practice of placing time guarantees on gold-filled and gold-plated watches, for distribution and sale in interstate commerce, has led and leads to deception of the purchasing public.

That the marking and/or calling of watch cases for distribution and sale in interstate commerce as gold-filled leads to deception of the purchasing public in the absence of the following elements as a minimum.

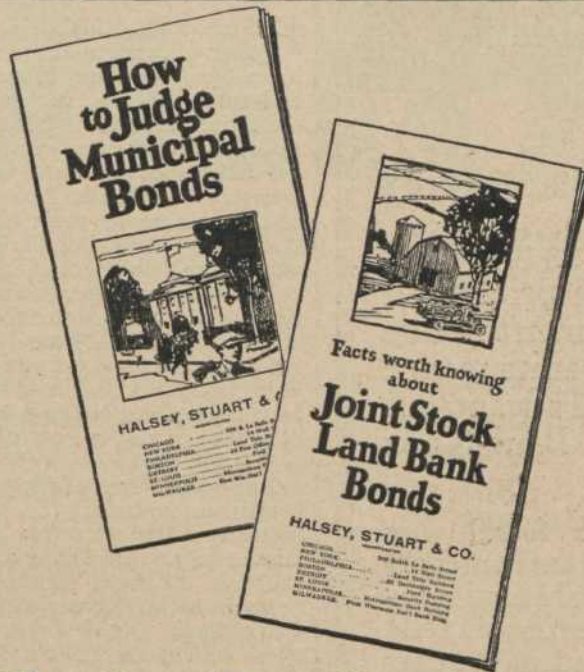
1. That they are marked in close proximity to the words "gold-filled" and as plainly as the words "gold-filled" with words or marks indicating the fineness of the gold which shall not be less by more than three one-thousandths part than the fineness indicated.
2. That the backs and caps are made of two sheets of gold or an alloy thereof, affixed to the surfaces of a sheet of other metal.
3. The center, bezel, pendant, crown and bow are made of one sheet of gold or an alloy thereof, applied to the outer surface of a sheet of other metal.

A dissenting memorandum was filed by Commissioner Nugent, who said:

I am in favor of requiring the manufacturers to place on each watch the number of penny-weights of gold used, in addition to the karat fineness which does not indicate and is not intended to indicate to the mind of the consumer anything relative to the value of the gold used.

The long-time guaranty is a fake; and as it is used for the purpose of deceiving the general public, I am in accord with the proposal that manufacturers who resort to it should be proceeded against.

The opinions of the manufacturers, as developed at the submittal, were presented to the commission in the form of resolutions, which were unanimously adopted and approved by the companies represented.



These Pamphlets will prove valuable to those interested in

Tax-Exempt Bonds

THEY explain how we judge the investment qualities of Municipal and Joint Stock Land Bank Bonds when buying them with our own funds.

A reading of these pamphlets, written by our Buying Department—from the "buying" standpoint—will enable individual investors to more accurately judge for themselves, individual offerings of these two important types of tax-exempt bonds.

We shall be glad to send either or both of these pamphlets upon request.

WRITE FOR

"How to Judge Municipal Bonds"—Booklet 268-M

"Facts Worth Knowing About

Joint Stock Land Bank Bonds"—Booklet 268-J

HALSEY, STUART & CO.

INCORPORATED

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DETROIT
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NEW YORK
14 Wall St.
MILWAUKEE
425 E. Water St.

PHILADELPHIA
100 S. Broad St.
ST. LOUIS
319 N. Fourth St.

BOSTON
82 Devonshire St.
MINNEAPOLIS
610 Second Ave., S.

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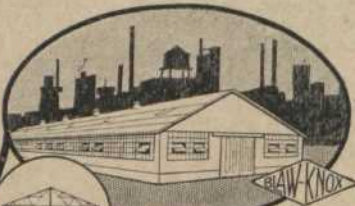
Copper-Bearing—Galvanized—Steel



Necessity Has Another Child

It took high prices and shortage of men to make some companies realize the practical advantages of buying Blaw-Knox Buildings.

Now they've found that these low-cost structures are just as serviceable and satisfactory as their more costly brothers. And maybe they aren't pleased at the speed with which they put 'em to work and the reasonable price they paid.



-TYPE B-

You profit by: Low first cost. Made in the shop by machinery. Quick delivery. Easily erected with common labor. Economically expanded or subdivided. Moved without waste. Rust proof. Leak proof. Unlimited combinations to meet any need.



-TYPE B.B.-

Take a minute to get the facts on these low-cost permanent buildings. Tell us about the building you need. Let us show you how easy Blaw-Knox Buildings are on your bank roll.



-TYPE C-

BLAW-KNOX CO.
632 Farmers Bank Bldg.
Pittsburgh, Pa.

Used in every industry for every purpose

BLAW-KNOX CO.

632 Farmers Bank Building, Pittsburgh, Pa.

Send me a copy of the Blaw-Knox Building Book.

Name _____

Address _____

Interested in Bldg. _____ high _____ wide _____ long

Nation's Business Observatory

PRESIDENT HARDING'S reference in a public address to correspondence between himself and directors of the American Iron and Steel Institute, in which he said they pledged themselves to abolish the long day when a sufficient supply of labor was assured, has drawn wide and varied comment. Samuel Gompers was inclined to regard the promise of the steel men as mere bluff. The Federal Council of Churches of Christ in America has published a letter written by J. E. Welborn, president of the Colorado Fuel and Iron Company, in which he asserted that the results of a change from the 12-hour day to the 8-hour day by his company "were satisfactory and where conditions have been comparable, it has been evident that we have lost nothing either in producing cost or output by reason of the change."

Iron- and steel-making require certain continuous processes, a continuity that is inherent in the industry. Fixing hours of labor resolves itself into a question of two shifts of 12 hours each or three shifts of 8 hours each. That question has troubled many minds. Out of it issue other important questions. Is the 12-hour day destructive to the worker? Which of the two arrangements does the worker prefer?

The president of the American Iron and Steel Institute appointed a committee to consider the vexed question of the 12-hour day and to report conclusions and recommendations on the basis of their findings. That committee has now reported, and of its report the *Commercial and Financial Chronicle* asserts that:

The men, says this report, "as a rule, prefer the longer hours because it permits larger compensation per day; it is asserted with confidence that there is less physical work as a total per day and less fatigue from the work of the 12-hour day in the steel industry than pertains to the large majority of the 8-hour men; this is because in the former case there are more rest periods during the 12 hours on duty."

Union leaders passionately deny this, and we refrain from arguing it; but it is undeniable that the wear upon the human factor in production may depend less upon the number of hours nominally "on duty" than upon the time demanded for tense and actual working. Further, most unprejudiced persons will agree with the opinion expressed in the report that there is probably no important concern in the industry that would urge or willingly permit employees to work to an injurious stage, and that a desire to improve conditions and promote the welfare of the men "has been a cardinal principle with the employers for many years past."

Is this an unreasonable generalization? Mr. Gompers may declaim, but he is known greatly to disapprove the get-together methods of U. S. Steel; the head of the corporation also came up from the ranks, and so did "Charlie" Schwab.

All nations, continues the report, are especially interested in "the largest reasonable production," which is necessary to bring about a restoration to stability, progress and prosperity; the entire world is more dependent than ever before upon large production at low cost for sale at fair prices." So the conclusion is that to abandon the 12-hour day at present would increase production cost about an average 15 per cent and require at least 60,000 more men, who are not now obtainable, partly because of the policy pursued as to immigration. Yet, the report concludes, there was a persistent and successful effort, during the time when labor was more abundant, to reduce the number of 12-hour men, and now the committee would favor entirely abolishing that 12-hour day, "provided labor should become sufficient to permit it, and provided the purchasing public would be satisfied

with selling prices that justified it, and further provided that the employees would consent and industry generally, including the farmers, would approve."

New York and the Provinces Compared in Bank Training

FROM TIME TO TIME interesting though futile discussions have arisen relative to the merits of New York City as a training school for bankers as compared with the rural districts or small towns, says the *American Banker*, and then proceeds to make a canvass of great names on the rosters of New York banks:

We have in our mind's eye a list of fifteen New York City bankers, selected at random, whose eminence in their chosen profession is readily conceded, or whose sudden elevation has attracted attention and excited comment. Of this number Massachusetts produced four, namely, Charles E. Mitchell, president, National City Bank, born at Chelsea and bred in the classic atmosphere of Boston and Amherst; likewise Albert Henry Wiggin, president, Chase National Bank, born at Medfield; Charles H. Sabin, chairman, Guaranty Trust Co., born at Williams-town; and James H. Perkins, president, Farmers Loan & Trust Co., born at Milton.

Metuchen, New Jersey, is the birthplace of Lewis E. Pierson, chairman, Irving Bank-Columbia Trust Co.

Kentucky gave us Percy H. Johnston, president, Chemical National Bank, and Julian W. Potter, recently made president of the Coal & Iron National. Both were born and bred in small towns.

New York State outside of the metropolis is responsible for J. P. Morgan, born in Irvington; Thomas W. Lamont, Claverack; Gates W. McGarrah, chairman of the Mechanics & Metals National, born in Monroe, Orange County; George F. Baker, chairman, First National Bank, Troy; and Seward Prosser, chairman, Bankers Trust Co., Buffalo.

Montreal, Canada, is the birthplace of President J. H. Fulton, of the National Park Bank.

Of the fifteen bankers on our list only Richard Delafield, chairman of the National Park Bank, and William Woodward, president of the Hanover National, are strictly New York City products.

Does all this prove that country-bred boys have the advantage over our city boys in the race for highest banking honors? By no means, though in saying this we contradict Mr. Vanderbilt and other eminent authorities. More than half of the above-mentioned, namely, Messrs. Mitchell, Pierson, Morgan, Lamont, McGarrah, Baker, Prosser and, of course, Delafield and Woodward, obtained their banking training and banking experience in this city. Only one, Mr. Johnston, was called directly from an outside bank to the presidency of a metropolitan institution. The rest had to serve an apprenticeship of several years as vice-presidents before their promotion.

The proportion of two native New Yorkers to thirteen outsiders probably holds good throughout the list of all the prominent bankers in our city. But the proportion of nine New-York-City-trained bankers to six who were trained elsewhere is approximately true also.

Chicago Store Is Now Selling Houses "Over the Counter"

THE FIRST CHICAGO STORE to sell houses "over the counter" has completed the first twenty-four which are included in a plan to erect 150 within the next few months, depending entirely on the building situation, reports the *Dry Goods Economist*. Brief

descriptions of the houses and the store's sales plan are offered by the *Economist*:

Each house is set on a lot 33 x 165, the house being 24 feet wide. No two exteriors are alike; and different colored bricks are used, so that each house has a more or less individual air about it. In price these will begin at \$8,500 for the five-room houses, and go up. This is an additional \$1,000 over the first-contemplated price, due to building costs having advanced so much.

The houses are heated with hot water, have open fireplaces in the living rooms, and built-in bathtubs, bookcases, buffet and linen drawers, ice boxes, shades and stoves, etc. Electricity lights the houses as well as the sleeping porches, and a built-in ironing board gives added service, as well as a clothes chute. Each house has an attic which is partly finished, and this may be converted into a second story if the owner so decides later.

The bungalows are handled "over the counter," as is the furniture that is sold on partial payment. The purchaser pays so much down—\$2,000 on these houses—and there is a mortgage taken for the balance with stated monthly payments. The owner pays all taxes and assessments as well as insurance, the latter standing in the name of the store until the house is clear.

Pulp Industry Lost to Alaska By Conservation, Is One View

AFFAIRS IN ALASKA continue to have periodic consideration from the trade and industrial press. Some aspects of government receive comment from *Coal Age*, with a word on the position of the paper and pulp industry:

Alaska would go ahead if the Federal Government were to get out, many believe. As it is, jurisdiction over the Territory of Alaska is divided among 35 different departments and bureaus of the Federal Government, which represent 135 separate activities. Now that a number of prominent federal officials are planning a march on Alaska, it is hoped that steps will be taken that will give the people of that territory a chance to develop it. There is a large and thriving paper and pulp industry across the imaginary line which separates Alaska from Canada. The industry is largely in the hands of Americans, who are forced out of Alaska by the curious conception of conservation which seems to have as its objective that there be no development anywhere—that water capable of developing power should continue to waste itself on the rocks of its stream bed and that trees should continue to age and fall down.

Can the "White Collar" Men Fill Gaps in Labor's Ranks?

ADECIDED movement of clerks and other "white collar" men away from their desks and into manual labor is seen by a correspondent of the *London Times Trade and Engineering Supplement* as hopeful means for relaxation of the shortage of labor in the United States. Desk workers are won to manual labor "by wages that are double and triple the euphonious but less nourishing 'salaries,'" the correspondent thinks. Examining conditions that affect the supply of labor, he writes that—

Not only is there a restriction of the usual sources of rough labor for the roadbeds but there is a further handicap in the refusal of the Federal Railroad Labor Board to permit laborers to work over eight hours a day, despite the fact that the bulk of the maintenance of way workers themselves were anxious to have a ten-hour day for the sake of the extra two hours' pay. Even the foremen, though they are paid on a different basis without regard to their hours of labor, supported the longer work-day. As for the railroad companies, they insisted

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ALUNDUM SAFETY TREADS MEET THE STATLER IDEALS

Editorial opinion of the New Hotel Statler, Buffalo, is: "It reflects the most modern, most beautiful, most serviceable and most lasting in hotel layout, construction, equipment and decoration."

World-wide search for materials to meet the Statler ideals of a fireproof, safe, sanitary hotel led to the selection of Alundum Safety Treads for all stairways leading from the main floor.

The Alundum Safety Aggregate Treads are attractive, slip-proof and durable and can be made in suitable colors and tones to secure almost any desired result. They are suitable for any type of building.

The Alundum semi-vitreous product (tile and treads) is more adapted to industrial, school and other public buildings, subway and railroad station stairs, floors and ramps where foot traffic is heavy.

One of these two classes of Alundum products will meet the requirements of any building in which you are interested where a non-slip walkway surface is desirable.

NORTON COMPANY WORCESTER MASS.

NEW YORK
53 Park Place

CHICAGO
11 North Jefferson St.

DETROIT
233 W. Congress St.

NORTON COMPANY OF CANADA, LIMITED
HAMILTON ONTARIO

T-71

"PHONE" without being overheard



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. Sent postpaid for \$1.00.

THE COLYTT LABORATORIES—Dept. 7

565 W. Washington Street

CHICAGO, ILL.

1,000 Letterheads, Statements or
Envelopes—Printed \$3.75 delivered.
Box 275, Saranac Lake, N. Y.

**Even in the
Summer
Months!**

MOST magazines expect to lose circulation in the summer months, but not THE NATION'S BUSINESS. The July issue went to 3,000 more executives than the June number, and the August issue is going to 3,000 more executives than the July number. Even now when the weather is hot NATION'S BUSINESS grows steadily.

that with their depleted forces they could not hope to keep operations safe unless the board made a more practical decision. The Labor Board, however, was obdurate. . . .

In the building industry, which is experiencing a boom far beyond everything ever before known, confusion is worse confounded by the tyrannical attitude of masons, carpenters, and other skilled workers toward the training of apprentices. Acting in the fallacious belief that laborers' prosperity depends upon keeping down the number of men available for jobs, through their unions they have devised rules and regulations, terms of apprenticeship, etc., which make the outlook almost hopeless for an increase in building labor for a long time to come. . . .

Wages are, of course, sky-high, for there is practically no unemployment anywhere in the United States. It is a poor day for a building mechanic—only a fair one, even—when he does not get anywhere from £2 8s. to £3 4s. Lathers in New York recently went on strike because they were refused a raise in wages which would bring their daily earnings up to \$35—say, £7 6s. Once upon a time \$35 a week was high pay for any manual worker. The wages are paid because they have to be paid, but there are already signs that the end of the skyrocketing is near. With the cost of building materials over 90 per cent above the pre-war level, and with building wages up over 100 per cent, speculative builders are losing their enthusiasm. According to a leading authority in the industry, only a 5 per cent further rise in either item of costs will make them suspend operations altogether.

Flax Does Not Exhaust Soil, Says North Dakota Professor

AT A TIME when the manufacturers of paint and varnish are working hard to increase the flax production of the United States, it is enough to make a saint swear to know that a few asinine nitwits are doing their best by circulating false and totally misleading letters among the farmers to prevent the seeding of flax on the ground that it is injurious to the soil, declares a forceful editorial in the *Paint, Oil and Chemical Review*. The editor finds assurance for his position in a letter from Prof. H. L. Bolley, dean of the North Dakota Agricultural College. To quote:

There never was any truth to the thought that flax is hard on land or soil-exhausting. This statement has many times been disproved by carefully conducted investigations in chemical and physical experiments. It has been found that flax removes less water and less plant foods than either wheat, oats, barley, corn or potatoes. Crop rotation experiments here and elsewhere and the work of numerous farmers prove that flax does not in any way reduce the yields of other crops which immediately follow; the reverse is the fact. When properly handled such flax-cropped lands yield better crops of cereals than do lands previously cropped to cereals. Flax is attacked by certain root diseases, which, however, do not attack any other crop. There are wilt-resistant varieties of flax which now do well on the infected lands. There is no occasion to worry about injuring land by cropping flax.

Alcohol of Any Strength Made From This Powder, Says Robert

CABLED REPORTS from Paris regarding the discovery of a process for manufacturing powdered alcohol have stirred up much interest here in America, believes the *American Perfumer*. American chemists are sceptical of the efficacy of the process in the opinion of another paper, but the *Perfumer* seems confident that "the story, nevertheless, has aroused great expectations in 'wet' circles and

among those who would welcome 'dry' alcohol as a substitute for the fluid article." Of the process the *Perfumer* says:

... According to the inventor, Marcel Robert, the powder has only to be mixed with water to yield liquid alcohol of any desired strength. A few grains in the bottom of a glass, with hot water added, will produce half a pint of diluted alcohol. The powders are to contain various flavors. Flavors now announced include Vermouth, Benedictine, Grand Marnier, Chartreuse and liqueur brandy. Later it is hoped to imitate to a fair degree of accuracy mixed drinks, including Martini and Manhattan cocktails.

Robert declares that he has investigated and found that the introduction of these powders would not be against the law, because they are not intoxicating liquids.

"In fact," he declared, "it isn't absolutely necessary to mix the powders with water. You can eat them with bread and get the same kick."

But the Federal Prohibition Unit may be depended upon to prevent the realization of the dream, should the powdered alcohol itself materialize.

Personal Sureties Are Not Good Business, Welton Thinks

SHYLOCK learned the old lesson that when the show-down comes, the personal surety either cannot make good or finds a way to get from under, declared Spencer Welton, vice-president of the Fidelity and Deposit Company of Maryland, in an address before the Chamber of Commerce, the Lions' Club and the Bar Association at Kankakee, Illinois.

He told his audience why he believed business men should not sign or accept personal bonds, and asserted that men became personal sureties "because they belonged to one of several classes — egotists, sentimentalists, or gamblers."

In the course of his address Mr. Welton said that:

A surety company never writes a bond until it is satisfied that every moral and financial hazard has been eliminated, and even then it reinsures a large portion of the bond if the penalty is great because it is prudent to do so and because a federal statute limits it to 10 per cent of its combined capital and surplus on a single risk.

The *National Underwriter* last year made the statement that in 1894, when the question of allowing several departments of the United States Government to accept surety bonds was being agitated in Congress, the Secretary of the Treasury made a report in which he stated that at that time the United States Government held uncollected and uncollectible judgments against personal sureties aggregating more than \$35,000,000.

Going further, how can you more effectively hamper an honest public official in the performance of his duties than by making it necessary for him to go with his hat in his hand and ask for a personal bond?

Certainly he is in no position to refuse to do almost anything that is asked of him by the man who supplies the bond.

There is no more certain method of hamstringing a public official than by compelling him to give a bond and failing to make provision for paying the premium.

In the light of pure logic he who buys fire protection takes an indefensible position when he signs a personal bond. But logic dominates us less frequently than the obvious.

When a friend asks you to sign a personal bond, you will be ahead of the game if you suggest that he buy a corporate bond and send you the bill for the premium.

Then you will have discharged your obligation to him if any exists, and you will know that the total amount of your liability under any circumstances is the cost of the premium.

Pressed Steel Gives Gainaday 8 Advantages



Unretouched photograph of the aluminum housing that was replaced by pressed steel.



Unretouched photograph of Pressed Steel Wringer Housing that gained eight points of saving for the GAINADAY Wringer.

"Press It
from Steel
Instead"

1. 25% saving in cost
2. Increased production
3. Greater strength
4. No breakage
5. Smoother finish
6. Greater similarity of parts
7. Absolute uniformity
8. Elimination of costly machining operations.

THESE were the advantages our engineers gave the GAINADAY Electric Company by redesigning the cast aluminum wringer housing on the GAINADAY Washing Machine to a pressed steel housing.

The GAINADAY story is but one example of the savings "press it from steel instead" offers you. Another wringer manufacturer saved \$35,000 on his first order for pressed steel wringer parts over the previous cost of cast parts.

Put It Up To Us

Don't overlook the tremendous possibilities of this pressed steel redevelopment service. We take the responsibility of the initial step. All we ask you to do is to send us a sample or blue print of any cast part you are using. We're practically certain that we can effect some saving. If not we'll tell you so — and it costs you nothing.

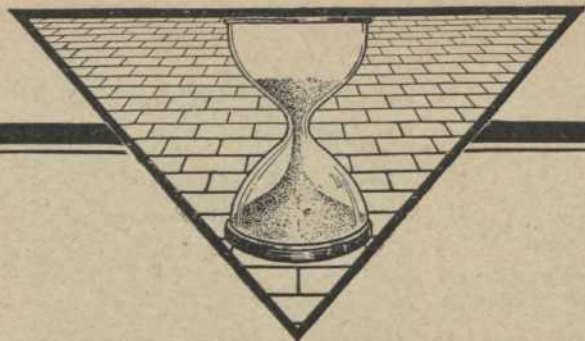
YOUNGSTOWN PRODUCTS FOR MANUFACTURER & BUILDER

AGRICULTURAL	AUTOMOTIVE	GENERAL	FIREPROOFING
TOOL & WEIGHT BOXES • SEATS LAWN LATCHES • FURROWS • GONG WHEELS BARNS • HOOD CLAMPS • CULTIVATOR SHEETS LAND ROLLER HEADS	RADIATOR SHEETS • CRANK CASES HOUSING COVERS • BRAKE DRUMS CLUTCH DISCS • STEP HANGERS HUB FLANGES	LIFT TRUCK PLATFORMS • TANK HEADS INDUSTRIAL CAR WHEELS • WHEEL DISCS HATCH CLEATS • BARREL HEADS COMPOUND BOXES	MACHINE GUARD • FACTORY PARTITION MATERIAL OXID PIPED CHANNELS • ANGLES • BOTH HEAVY & LIGHT YOUNGSTOWN • PHILADELPHIA • CHICAGO • DETROIT MAHONING, OHIO • IDEAL METAL LATH

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*The A B of
Good Paving*

Asphalt for
Filler.
Brick for
Surface.

Concrete,
Crushed Rock,
Crushed Slag or
Gravel for Base.
and "D" is for
Drainage—
adequate and well
planned.

The long life—low maintenance features of vitrified brick pavements for city streets and country highways, and also for private drives and factory floors are virtues unequalled by any other type of pavement at the same cost and more appreciated by every citizen and stockholder as time goes on.

*Convincing evidence gladly
sent you on request.*

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Brick
PAVEMENTS

OUTLAST THE BONDS

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A sincere desire to render service is essential to the success of any sales letter.

Donley D. Lukens

writer of
Successful Sales Letters

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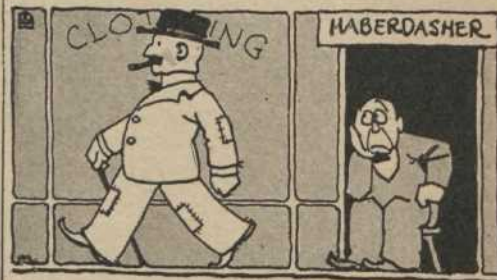
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ACME VISIBLE CARD SYSTEM
Visualizes Your Business

Human Nature in Business

By **FRED C. KELLY**



PARIS has been discussing the old question of whether simplicity and economy in living and dressing, or spending according to one's financial ability, is best for a nation's business. M. Dior, Minister of Commerce, advises French women to wear more complicated gowns, more trimmings on their hats, and in general to exhibit what Thorstein Veblen would call "reputable wastefulness."

The cry that the luxury trades will suffer when people practice thrift is, of course, an old one. Our own business structure is built on a basis of more wastefulness than is perhaps generally recognized. If I wait until my winter suit is worn out before buying a new one, employees of the clothing factory built to supply men with new suits at every season, or with every new fashion, would be thrown out of work. Moreover, the neighbors might raise their eyebrows and call me stingy—to say nothing of calling me unfashionable.

A surprising amount of our regular consumption of goods might be dispensed with. Men could dress as simply as army doughboys and still be both comfortable and happy. Women would look just as pretty if their garments were always as plain and inexpensive as those of a trained nurse. But the human tendency is ever to add complications to existence instead of to simplify it. Just recently I heard a woman say that she couldn't go to the country for the summer but must remain in her hot city apartment because she couldn't risk losing the laundress who now washes her little daughter's white dresses!

"I LIKE beautiful surroundings as well as anyone," I heard a business man say, "but I'm a practical man and —"

When will people quit treating beauty and practicability as if they were opposites that wouldn't jibe? If beauty isn't practical, then what is? If there were no beauty in the world, nothing would be worth doing.

A NEW YORK department store recently arranged to have a young woman visit all the big stores in town and then record from the point of view of the shopper the impressions they made on her. She was employed through an advertising agency and did not know which store was seeking the information. For all she knew, one of the stores she criticized most sharply might have

been paying her salary. Her preliminary size-up of several leading stores was, in brief, as follows:

A's: Hard to find the way around. Always higher priced than elsewhere. Clerks indifferent and haughty.

B's, C's, D's: All good pleasant stores where one will see well-dressed people. No essential difference between them.

E's: Good for many articles, but I had a feeling that one should be a good judge of merchandise before buying anything important. Tricky.

F's: Used to be good, now apes X's and Y's. Too much uniformity in style. Tiresome.

G's: Was able to buy an evening dress here for \$89 that I couldn't duplicate in value anywhere else for less than \$250.

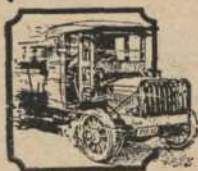
I KNOW a busy man who never carries a watch, because he says it is a bother—just one more thing to keep in repair or guard against losing. "Anyway, what's the use of carrying one?" he asks. "Everybody else carries one; I can ask them for the time."

A BIG store recently had various employees who knew one another rate themselves and other members of their group as to certain character traits. The test showed that men are inclined to underestimate their own carefulness, industry and orderliness, but to overestimate their own punctuality, enthusiasm, patience and thrift.

A GREAT executive, though he never does anything that he can have done by anybody else, is, nevertheless, usually busy.

THE richest men in the world are likely to be the heaviest borrowers because they are in a position to see the most to be done.

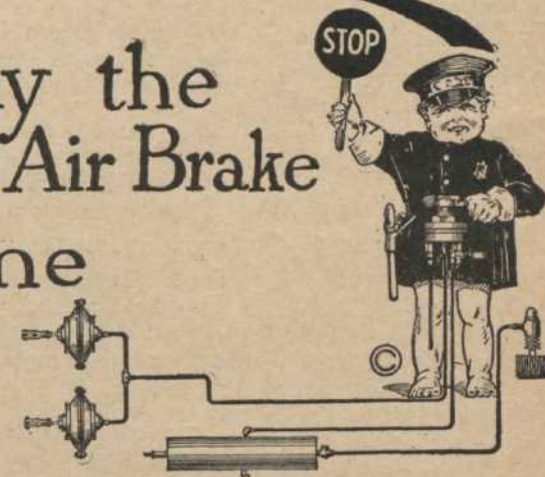
A FUNNY kink in human nature is that while men dislike to be told facts, they love to tell facts to others. Nearly everybody is trying to dodge facts. We are all seeking less reality and more fiction. Story books always sell better than those containing plain truths. Indeed, the only way to be sure of having facts read is to dress them up in story form as if they weren't necessarily true. But while we are trying to avoid hearing too many facts, some of which are likely to be unpleasant, what fun it is to meet somebody who will listen to a few of the things *we* know! Thus we find here a fortunate situation. When we *have* to learn something, it is not difficult to obtain reliable information. The man who is an authority on almost any subject is willing to drop his work and give first-hand knowledge to anyone that comes and asks for it. Indeed, there is no surer way to gain a man's undying friendship than to go to him seeking advice. Even though his time is extremely valuable, the man who knows, and knows that he knows, will talk and pass on his knowledge just as long as the caller will listen. In more than twenty-five years' experience as a reporter, I have never yet been refused information by a real authority. The



Why the Automotive Air Brake Had to Come

AUTOMOTIVE development forced it. No form of land transportation was ever successfully developed beyond available braking facilities and when motor vehicles grew to such great proportions in size, weight and numbers, the ordinary mechanical brake lost its effectiveness. Something better had to come; something safer.

Thus the Automotive Air Brake was perfected—worked out by the world's greatest power brake authorities—backed



by 55 years' experience in the construction of Air Brakes for railway service.

The Automotive Air Brake is applicable to any type of motor vehicle and is a positive means of insuring smooth, easy, safe control under all conditions. You will want to know more about it—write today.

Illustrated Above

One of a fleet of 7½-ton tank trucks equipped with Westinghouse Automotive Air Brakes by the Associated Oil Company of California. The first truck was equipped three years ago and seven others have been equipped to date.

WESTINGHOUSE AIR BRAKE CO.

Automotive Division

General Office and Works, Wilmerding, Pa.

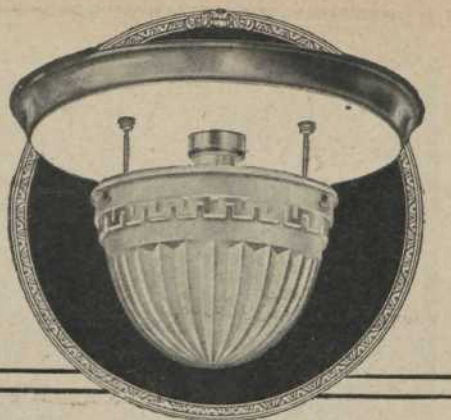
New York Washington Pittsburgh Chicago St. Louis San Francisco

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Banks, Theatres
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The Guth hall mark, identifying each product of the Edwin F. Guth Company, stands for the highest integrity of quality and workmanship.



Type AF

Wide reflector of all white, glazed porcelain enameled with bowl of heavy, pressed white glass. Type AFB same with reflector band finished in leather bronze. 200-300 watt size, price \$15.00.

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There are more Brascolites being installed today than any other single type of lighting fixture made. Over a million are now in use.

This growing demand for Brascolite is due to its scientific principle of *diffusion plus reflection at the source of light* which results in maximum efficiency at lowest maintenance cost.

There is a Brascolite design to meet every lighting need. The design illustrated is the universal favorite for office illumination. Its top-notch efficiency and rugged construction with low installation and maintenance cost makes it the ideal unit for this type of service.

For special architectural or decorative requirements we are prepared to make any type or style of fixture desired, and for that purpose our Engineering and Designing Departments are at your service, anywhere, at any time, without obligation.

Write department A for illustrated descriptive literature.

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Widmer Engineers have standardized and applied the most highly approved shop methods to the building business. Every phase of your building program—from the initial designing to completion and equipment of the building will be in the hands of this Master Organization.

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Many pleased owners of Widmer Buildings will gladly testify to the economic soundness of Widmer Methods. Ask us to explain. Write for our book—"Better Building at Lower Cost." It explains our methods.

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business man who fails to find out what he needs to know has only himself to blame. There is always somebody who would gladly tell him. Even one's competitor will usually answer almost any reasonable question about his business.

IN TALKING with department store employes, particularly those who are given to candor, I find that most of them regard the customer as a pest—a necessary evil. The vexatious customers are greatly in the majority. Many persons who never get a chance to demand service from anybody else can't resist the temptation to be domineering toward clerks who are hired to put up with nasty dispositions and maintain a courteous demeanor. Because the salesgirl is sweet in manner toward a crusty customer, doesn't mean that she still loves the customer. She probably thinks of plenty of retorts she would like to utter. I'll venture to say that the average salesgirl wishes all customers were deported.



ONE OF the important jobs of a big store is to make clerks philosophical—to appreciate that when a customer is ugly toward a clerk there is nothing personal about it. The clerk must be taught to know that, since most customers are disagreeable, handling them with an even temper is part of the job, all of which recalls that probably the most philosophical class of persons are waiters. It is almost impossible to say anything mean enough to a waiter to make him mad. He knows that vicious remarks are directed at his position and not at himself personally. Hence he feels no more malice toward an insulting customer than a keeper feels toward an obstreperous hyena. Each accepts the nature of the beast.

SAYS a certain manufacturer: "I had an employe once who, though intelligent and studious, never was able to make much advancement. His trouble was theaters—not so much going to the theater as devoting all his spare time to becoming an authority on theatrical matters. He could tell you off-hand all about every play in which any prominent star had appeared. He knew as much about the career of Ethel Barrymore as if he had been her mother. This might have been all right, except that he was not in the theatrical producing business, and had no way of marketing all this information. He had started out to study theaters merely as a recreation, but gradually it became the paramount interest in his life, and the business by which he made his living lapsed into a side issue.

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Committee Operation
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For trade association students there will be a series of technical subjects corresponding to the technical subjects listed. These are now being prepared by a committee of the American Trade Association Executives.

The third session will be held at Northwestern University, Evanston, Illinois, August 19 to September 1, 1923.

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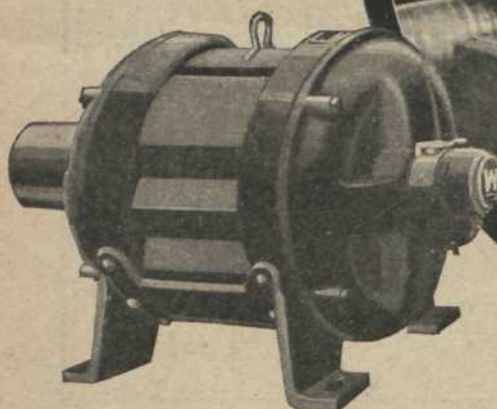
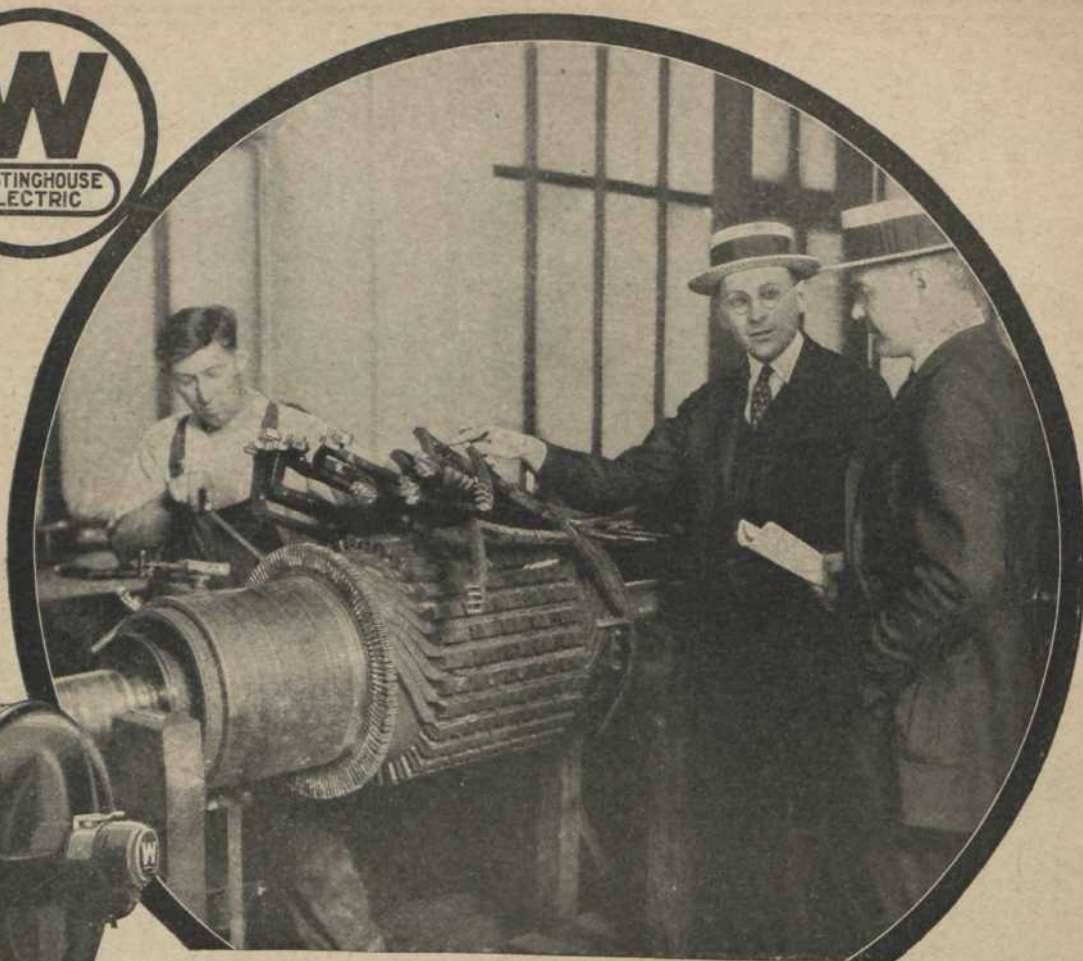
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